

SENATE.

WEDNESDAY, September 3, 1913.

The Senate met at 11 o'clock a. m.  
Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.  
The Journal of yesterday's proceedings was read and approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the bill (S. 2319) authorizing the appointment of an ambassador to Spain.

The message also announced that the House had passed a bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes, in which it requested the concurrence of the Senate.

PETITIONS AND MEMORIALS.

Mr. JONES. I have resolutions adopted by the Commercial Club of Seattle in reference to the wreck of the steamship *State of California* in Alaskan waters on August 17, and urging the necessity of increased aids to navigation in those waters. I ask that it may be printed in the Record and referred to the Committee on Commerce.

There being no objection, the resolutions were referred to the Committee on Commerce and ordered to be printed in the Record, as follows:

The English-speaking world has again been called upon to shudder at the recital of a disastrous wreck in Alaska waters. For years petition after petition has been presented to the proper authorities, requesting aids to navigation, better facilities, and more thorough survey of the inland waters of this the most valuable outside Territory of the United States, but with little effect. Each passing year witnesses some disastrous wreck on this coast which in almost every case is due to the absence of aids to navigation or the fact that the waters have been improperly charted.

Whereas on the morning of August 17 the steamship *State of California* struck a reef in Gambier Bay, southwestern Alaska, and in three minutes went to the bottom, and with the awful death toll of 32 souls as a relic of the direful event; and

Whereas this steamship was traveling over a route not usually covered by steamships, owing to the fact that it was engaged in aiding the industrial development of a frontier section of Alaska, specifically for the development of fishing and other industries on the Prince of Wales and other important islands of the western coast, whose waters are almost wholly uncharted and practically no aids to navigation exist; and

Whereas for years past wrecks of all kinds, amounting to millions of dollars, have occurred in the Alaskan Archipelago, resulting in tremendous financial loss as well as a large number of human lives: Therefore be it

Resolved, That the attention of the Congress of the United States be drawn to this condition, and that Senators, Members of Congress representing the State of Washington, and the Delegate in Congress from the Territory of Alaska be requested to bring this matter directly before the House of Representatives, and that they be urged to introduce a bill in those bodies calling for a full investigation; and be it further

Resolved, That the Senators and Representatives and Delegate mentioned above be requested to produce, or have produced, for such investigation full facts regarding the uncharted waters of Alaska from the United States Coast and Geodetic Survey and the Hydrographic Office of the United States Navy, as well as a report covering the need of further aids to navigation from the Bureau of Navigation and the United States Lighthouse Board; and be it further

Resolved, That the Commercial Club of the city of Seattle respectfully request immediate action on the part of the Representatives of the State of Washington in the matter of the above, owing to the urgency of the case and growing importance of Alaska and the steady increase in its shipping and commerce relations.

Mr. NELSON presented a memorial of the congregation of the United Norwegian Lutheran Church in convention at St. Paul, Minn., remonstrating against the reestablishment of the Army canteen, which was referred to the Committee on Military Affairs.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES:

A bill (S. 3072) granting an increase of pension to Hulda L. Winter; to the Committee on Pensions.

By Mr. OLIVER:

A bill (S. 3073) granting an increase of pension to Ira Felt (with accompanying papers); to the Committee on Pensions.

By Mr. MCLEAN:

A bill (S. 3074) granting an increase of pension to Julia McCarthy (with accompanying papers); to the Committee on Pensions.

By Mr. SHIVELY:

A bill (S. 3075) granting an increase of pension to James B. Kendall; and

A bill (S. 3076) granting an increase of pension to Henry Willis; to the Committee on Pensions.

THE LEVANTINE GRAPE (S. DOC. NO. 178).

Mr. FLETCHER. Mr. President, at the request of the Senator from Arizona [Mr. SMITH], who could not be present at the opening of the session to-day, I present a brief on the Levantine grape, generally designated commercially as currants, which I desire to have printed. As I stated, it bears on the subject of currants, and the matter is, I believe, involved to some extent in the pending tariff bill. I have had an estimate made of the cost to print it, which will be about \$140, if it is printed as a public document. It is a matter of great interest to the people of California, Arizona, and that section of the country, and I believe it is in every way worthy of publication.

Mr. SMOOT. Have the illustrations been taken out?

Mr. FLETCHER. The illustrations will be omitted, except the plates furnished by the Department of Agriculture.

Mr. SMITH of Arizona entered the Chamber.

Mr. SMOOT. I wish to ask the Senator a question. Has the substance of this paper been already published by the Agricultural Department?

Mr. SMITH of Arizona. No; it has not.

Mr. FLETCHER. To only portions of it reference has been made in some of the reports, I think.

Mr. SMOOT. By whom was the paper prepared?

Mr. SMITH of Arizona. By Mr. Tarpey, of California. The question is one affecting the rates of duty in the tariff bill. I hope the Senator from Utah will not raise a question as to the printing of the paper.

Mr. SMOOT. I am raising no objection at all. I am asking a question for information.

Mr. SMITH of Arizona. When the Senator has asked for the printing of a public document I have never gone to the extent of asking him about it or examining him as to what it contains. I will state that it is a matter which affects the people of Arizona, California, and southern Nevada. It is a question as to what is a true currant or a true grape.

Mr. SMOOT. Perhaps the Senator does not understand my position. It is that if the information has already been published by the Agricultural Department, or if it is a part of an Agricultural Department bulletin, there would be objection to having the matter printed as a public document. But the Senator assures me that it is not, and that it was prepared by a gentleman outside. I have not any objection to its being printed as a public document.

The VICE PRESIDENT. Without objection, the paper will be printed as a public document.

The morning business is closed.

THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. BRISTOW. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Norris	Smith, Ga.
Bacon	Gallinger	O'Gorman	Smoot
Bankhead	Hollis	Oliver	Stephenson
Borah	Hughes	Overman	Sterling
Bradley	James	Page	Stone
Brady	Johnson	Penrose	Sutherland
Brandeggee	Jones	Perkins	Swanson
Bristow	Kenyon	Pomerene	Thomas
Bryan	Kern	Reed	Thompson
Cañon	La Follette	Robinson	Thornton
Chamberlain	Lane	Root	Tillman
Chilton	La	Saulsbury	Vardaman
Clapp	Lippitt	Shafroth	Walsh
Clark, Wyo.	Lodge	Sheppard	Warren
Clarke, Ark.	McCumber	Sherman	Weeks
Cole	McLean	Shields	Williams
Cummins	Martin, Va.	Shively	
Dillingham	Martine, N. J.	Simmons	
Fall	Myers	Smith, Ariz.	

Mr. STERLING. I will state that my colleague [Mr. CRAWFORD] is necessarily absent on business of the Senate.

Mr. McCUMBER. My colleague [Mr. GRONNA] is unavoidably absent. He has a general pair with the senior Senator from Illinois [Mr. LEWIS].

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent from the city. He is paired with the Senator from Florida [Mr.

BRYAN]. I make this announcement that it may stand for the day.

The VICE PRESIDENT. Seventy-three Senators have answered to the roll call. There is a quorum present.

Mr. SIMMONS. I understand that the Senator from Kentucky [Mr. BRADLEY] desires to go back to the beginning of Schedule J and offer an amendment at that point.

Mr. BRADLEY. I submit an amendment and ask that it be read.

The VICE PRESIDENT. The Secretary will read the amendment.

The SECRETARY. On page 83 insert a new paragraph, to be numbered 275, in place of paragraph 275, stricken out by the committee, as follows:

275. Hemp, hackled, known as line of hemp, 2½ cents per pound; hemp, not hackled or dressed, 1½ cents per pound; tow hemp, 1½ cents per pound; jute and jute butts, 1½ cents per pound.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Kentucky.

Mr. BRADLEY. Mr. President, I dislike at this late day in the consideration of the tariff bill to detain the Senate, but I will ask a few minutes' time in explanation of the amendment.

Hemp, according to the statement of the Agricultural Department, can be grown profitably (if properly protected by a duty) in three-fourths of the States of the Union. It is especially valuable for cordage, webbing, warp, canvas, and any other article that must have unusual strength and durability. It has been demonstrated that the finest linen in the world can be made of hemp, and not only a fine article of linen, but an article that has a gloss on it of a very silky appearance.

The possibilities of hemp are very great. It was once a thriving industry. There were \$3,500,000 invested in it, 6,000 employees, and an annual wage of \$1,250,000. There were then 417 mills in the United States. There are now less than 20.

The decrease in the production has become absolutely alarming. From 1899 to 1909 there was a decrease of 36.6 per cent in its production, there being in 1899 11,750,000 tons and in 1909 only 7,483,000 tons. Since that time the decrease has continued. There were at one time more than 100,000 acres grown in hemp. Now there are about 12,000.

It was formerly a very prosperous industry in Virginia, Kentucky, and Missouri, but it has now, as I said a moment ago, alarmingly decreased. I desire to submit, without taking the time of the Senate to read, a table showing the imports, value, revenue, and rates of tariff duty under the Dingley law and the Payne law on the different qualities of hemp.

Dingley bill, 1905.			
HEMP, NOT HACKLED.			
Imported.....	long tons..	3,823	
Value.....			\$606,190
Revenue collected.....			\$76,462
Duty, \$20 per ton; ad valorem, 12.61. *			
Payne bill, 1912.			
HEMP, NOT HACKLED.			
Imported.....	long tons..	3,916	
Value.....			\$843,471
Revenue collected.....			\$88,117
Duty, \$22.50 per ton; ad valorem, 10.45.			
Dingley bill, 1905.			
HEMP, HACKLED.			
Imported.....	long tons..	64	
Value.....			\$15,737
Revenue collected.....			\$2,598
Duty, \$40 per ton; ad valorem, 16.49.			
Payne bill, 1912.			
HEMP, HACKLED.			
Imported.....	long tons..	162	
Value.....			\$50,945
Revenue collected.....			\$7,330
Duty, \$45 per ton; ad valorem, 14.39.			
Dingley bill, 1905.			
HEMP, TOW OF.			
Imported.....	long tons..	21	
Value.....			\$2,907
Revenue collected.....			\$420
Duty, \$20 per ton; ad valorem, 14.95.			
Payne bill, 1912.			
HEMP, TOW OF.			
Imported.....	long tons..	918	
Value.....			\$202,642
Revenue collected.....			\$20,660
Duty, \$22.50; ad valorem, 10.20.			

Now, notwithstanding the Payne law increased the rates in the Dingley law, importations increased. It will be asked why this is true, and if the increase of the tariff increases the importations why should we have a tariff? My information is that the reason why it is true is that in Russia and Italy, after the passage of the Payne bill, the wages of the laborers were materially cut down. The question here is, If it has been hard for

us to live under the present tariff, how much harder will it be for us to live without any tariff?

Under the Payne law hemp not hackled imports increased from 3,823 to 3,916 tons; hemp hackled increased from 64 to 162 tons; hemp tow from 21 to 918 tons.

I also submit a table of the rates which were fixed by the present House bill in the way of duties on hemp, and estimates of importations and values, which have been stricken out in the Senate in order to make hemp free:

Hemp, not hackled.			
Importations anticipated.....	tons..	5,000	
Value.....			\$875,000
Revenue to be collected.....			\$56,000
Duty, 6.40 ad valorem, or.....	per ton..		\$11.20
Hemp, hackled.			
Importations anticipated.....	tons..	500	
Value.....			\$150,000
Revenue to be collected.....			\$11,200
Duty, 7.47 ad valorem, or.....	per ton..		\$20.00
Hemp, tow of.			
Importations anticipated.....	tons..	1,000	
Value.....			\$195,000
Revenue to be collected.....			\$11,200
Duty, 5.47 ad valorem, or.....	per ton..		\$11.20

The Senate, however, is determined that even this slight assistance to the farmers shall be denied.

The present duty on hemp is full small, and I hope this rate may be inserted in the present bill.

The importation of foreign hemp from Russia and Italy has very much injured the hemp interest in this country, but that has contributed slightly, comparatively speaking. The chief cause of this injury is the free importation of jute and jute butts. Wages are paid our hemp laborers of 20 cents an hour, while in India, where jute and jute butts are produced, they are paid only 5 cents a day. Jute is a native growth of India and requires no cultivation. The only labor there is in cutting and breaking. Those laborers are composed of men, women, and children, who are ninety-nine one-hundredths naked. They do not even wear slit skirts or radio gowns. [Laughter.] That is the class of people who are destroying a great interest in this country.

The rate of increase in importation of jute and jute butts is absolutely alarming, increasing millions of pounds every year. I have placed in this amendment a duty of 1½ cents per pound on jute and jute butts. I understand our friends on the other side desire some source of revenue. If that be true, this is the place to obtain it. My amendment will yield more than \$3,000,000 per annum, and would in addition save the hemp industry of this country.

But while jute and jute butts are free under this bill, the manufacturers of jute are protected, notwithstanding it is largely manufactured in nearly every penitentiary in the United States; it is in fact one of the chief industries of many of the penitentiaries.

I want to say another thing, and hope I will not offend when I say it, that I have never seen the greediness of public men so manifest as it is upon this proposition, and this applies to many on both sides of this Chamber. Men who favor protection on every other article are in favor of free jute; and why? Because it gives cheap cotton bagging in the South and cheap grain bags in the country generally.

Mr. Dewey, of the Agricultural Department, is my authority for what I say, and he has made a careful and intelligent investigation of this question. He states that with proper protection hemp and flax would in a short while produce all the bagging and grain sacks needed and by reason of competition would eventually be produced as cheaply as they are bought to-day.

The articles which are manufactured from jute are very inferior. It is true you get them cheap; but while a carpet with a hemp warp would last in the olden time for 20 or 30 years, if you have one made out of jute and dance the tango on it once it is gone. [Laughter.] So it is with all articles made from jute. Even grain sacks, I understand, can not be used more than once. Grain sacks can be made from another source. We have in the South what is known as "low-grade cotton," which would make most excellent grain sacks, and a great industry could be developed in that way, and it could also be developed in hemp and flax.

The only market that hemp has is a special and very contracted one. It is confined to certain avenues of trade where it is absolutely necessary—for instance, cordage for use in the Navy. The consequence is that, having but a limited market, there is but a very limited supply of hemp raised in this country.

I want to call attention to one other fact and I am through. Mr. Dewey says that in case of war if this country were cut off from the foreign supply, the supply on hand from foreign countries would not last more than two or three days and we would be left absolutely without remedy.

I do not see why there should be a desire to destroy this industry in this country. It is now only barely living, and this bill will kill it. The House of Representatives in its bill did retain a certain small ad valorem duty, but the Senate committee has stricken that out. Now, I appeal to the Senate to restore a duty on hemp and to place a duty on jute and jute butts. I will ask for a division of the question, first on hemp and then on jute and jute butts. I will also ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BRISTOW. My attention was diverted, and I ask what duty does the Senator want on hemp? Is it on that that the Senator wants a vote?

Mr. BRADLEY. Two and a quarter cents on hackled hemp; on not hackled and tow hemp, 1½ cents; and on jute and jute butts 1½ cents per pound.

Mr. BRISTOW. What paragraph is that?

Mr. BRADLEY. Paragraph 492.

Mr. SMOOT. The present rate is \$20 a ton.

Mr. BRISTOW. The House fixed the rate at half a cent a pound. What is the amendment proposed by the Senator from Kentucky? Please let it be reported.

The VICE PRESIDENT. At the request of the Senator from Kansas the particular amendment which the Senator from Kentucky desires voted on at the present time by yeas and nays will be stated.

The SECRETARY. On page 83, after line 11, it is proposed to insert the following:

275. Hemp, hackled, known as line of hemp, 2½ cents per pound; hemp, not hackled or dressed, 1½ cents per pound; tow hemp, 1½ cents per pound; jute and jute butts, 1½ cents per pound.

Mr. BRISTOW. That seems to be a substitute for a number of paragraphs in the bill that were stricken out.

Mr. BRADLEY. It is a special paragraph.

Mr. BRISTOW. I should like to have it divided so as to vote for a part of it, but I do not want to vote for all of it.

Mr. BRADLEY. I have asked for a division of the question, so that we shall first vote on hemp, and then vote on jute.

Mr. BRISTOW. I should like to vote to retain the House provision.

Mr. BRADLEY. If I fail in this, I am going to offer the House provision.

Mr. SIMMONS. I entirely agree with the Senator from Kansas [Mr. BRISTOW]. I doubt very much whether it is quite regular, if it is competent, to offer an amendment which embraces in its terms four different paragraphs. I think it should be divided, so that each amendment will apply to a particular paragraph.

The VICE PRESIDENT. The Senator from Kentucky is in order. The Senate committee amendment to the House bill has already been agreed to, and all of those paragraphs have for the present passed out of the bill, so the Senator from Kentucky is offering an entirely new paragraph.

Mr. BRADLEY. I asked that the question might be divided, so that we should first vote on hemp and then on jute.

Mr. LODGE. Vote first on the amendment on hemp.

Mr. BRADLEY. It amounts to two separate paragraphs. I have no objection, however, to the vote being first taken on jute.

Mr. SIMMONS. If the Senator desires to strike out four paragraphs and to make one paragraph of it, I shall make no objection to that course.

The VICE PRESIDENT. Those paragraphs have already been stricken out by the action of the Senate.

Mr. SIMMONS. I understand that is the situation.

The VICE PRESIDENT. Those paragraphs are not in the bill at all at the present time.

Mr. SIMMONS. Very well, Mr. President.

The VICE PRESIDENT. And the amendment is to insert a new paragraph.

Mr. SIMMONS. I think, under those conditions, it is all right. The matter was in four paragraphs in the bill, and, as the Chair properly states—I had overlooked that fact—we have stricken out all four paragraphs, and the Senator's amendment makes one paragraph of it, as I understand.

Mr. BRADLEY. That is it.

Mr. SIMMONS. I shall make no objection to that.

The VICE PRESIDENT. The Senator from Kentucky asks for a division of the question on his amendment, on which the yeas and nays have been ordered. In the absence of objection, the amendment will be divided as requested.

Mr. WILLIAMS. Mr. President, just a word, for the Record more than for any other purpose. Jute is already upon the free list and has been upon the free list for quite a while. It was put upon the free list because every effort to raise it here has

resulted in failure, not because we can not raise jute—4 tons of it can be raised to the acre in the Mississippi Valley—but we can not decorticate it; we have not the labor to go into that sort of industry. So much for jute.

Hemp is a singular illustration of an attempt to create an industry by legislation and of its utter failure. There has been a duty on hemp ever since Henry Clay's day; but, notwithstanding all that, the amount of land in hemp has decreased rather than increased, and I understand that in the last 10 or 20 years the decrease has been from about 100,000 acres down to about 12,000. That has occurred under an extravagantly high rate of duty of \$22.50 per ton upon hemp not hackled or dressed, \$45 per ton upon line hemp or hackled hemp, and \$22.50 per ton even upon the tow hemp. These extravagant rates of duty have failed to create this industry, so that, even from a protective standpoint, the thing is a confessed failure.

We found jute and cotton upon the free list. We have placed flax and hemp and wool there, all of them being the raw materials of textile industries, so that we might have a better opportunity to reduce the rates of duty upon the finished product without damaging the manufacturers, as might have been done by a large reduction in the rates on the finished articles without giving free raw materials.

I hope the amendment will be voted down.

Mr. BRISTOW. I ask to have stated the amendment upon which we are to vote, so that I may understand what it is.

The VICE PRESIDENT. The amendment has been divided. The Secretary will state the part of the amendment on which the vote is now to be taken.

The SECRETARY. The first part of the amendment is on page 83, after line 11, where it is proposed to insert the following:

275. Hemp, hackled, known as line of hemp, 2½ cents per pound; hemp, not hackled or dressed, 1½ cents per pound; tow hemp, 1½ cents per pound.

Mr. BRISTOW. Let me inquire. Is that the same duty as that provided in the present law?

Mr. BRADLEY. Yes, sir.

Mr. BRISTOW. The equivalent ad valorem is 14.39 per cent?

Mr. BRADLEY. That is what it is on one of the articles. It is not the same on all of them.

Mr. BRISTOW. The handbook here gives the ad valorem equivalent on importations in 1912 under the present law at 10.45 per cent for hemp not hackled; hemp, hackled, at 14.39 per cent; and hemp tow at 10.20 per cent. Those rates were materially reduced by the House. It seems to me that that is nothing more than a revenue duty, if you are going to impose any duty at all. The highest rate, according to the 1912 importations as estimated by this book, would be less than 14½ per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BRADLEY], which has been read, upon which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. GORF] to the senior Senator from Maryland [Mr. SMITH] and vote "nay." I make this announcement of transfer for the remainder of the day.

Mr. McCUMBER (when Mr. GRONNA's name was called). My colleague [Mr. GRONNA] is unavoidably absent. He is paired with the junior Senator from Illinois [Mr. LEWIS]. I will allow this announcement to stand upon all votes taken to-day.

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS]. I transfer that pair to the junior Senator from Maine [Mr. BURLEIGH] and vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. BURTON]. I transfer that pair to the Senator from Oklahoma [Mr. GORE] and vote "nay."

The roll call was concluded.

Mr. BRYAN. I have a pair with the Senator from Michigan [Mr. TOWNSEND] which I transfer to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. REED (when his name was called). I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. CHILTON. I have a general pair with the junior Senator from Maryland [Mr. JACKSON], which I transfer to the junior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "nay."

Mr. GALLINGER. I announce the pair between the Senator from Delaware [Mr. DU PONT] and the Senator from Texas [Mr. CULBERSON].

Mr. CLARKE of Arkansas (after having voted in the negative). I understand the junior Senator from Utah [Mr. SUTHERLAND] has not voted, which makes it necessary for me to withdraw my vote, as I have a pair with that Senator.

The result was announced—yeas 36, nays 38, as follows:

YEAS—36.			
Borah	Crawford	Lodge	Poindexter
Bradley	Cummins	McCumber	Root
Brady	Dillingham	McLean	Sherman
Brandegee	Fall	Nelson	Smoot
Bristow	Gallinger	Norris	Stephenson
Cañon	Jones	Oliver	Sterling
Clapp	Kenyon	Page	Thornton
Clark, Wyo.	La Follette	Penrose	Warren
Colt	Lippitt	Perkins	Weeks
NAYS—38.			
Ashurst	Johnson	Reed	Stone
Bacon	Kern	Robinson	Swanson
Bankhead	Lane	Saulsbury	Thomas
Bryan	Lea	Shafroth	Thompson
Chamberlain	Martin, Va.	Sheppard	Tillman
Chilton	Martine, N. J.	Shields	Vardaman
Fletcher	Myers	Shively	Walsh
Hollis	O'Gorman	Simmons	Williams
Hughes	Overman	Smith, Ariz.	
James	Pomerene	Smith, Ga.	
NOT VOTING—21.			
Burleigh	Gore	Owen	Sutherland
Burton	Gronna	Pittman	Townsend
Clarke, Ark.	Hitchcock	Ransdell	Works
Culbertson	Jackson	Smith, Md.	
du Pont	Lewis	Smith, Mich.	
Goff	Newlands	Smith, S. C.	

So Mr. BRADLEY's amendment was rejected.

The VICE PRESIDENT. The question is on the second subdivision of the amendment, which will be stated.

The SECRETARY. "Jute and jute butts, 1½ cents per pound."

Mr. BRADLEY. On that I ask for the yeas and nays.

The VICE PRESIDENT. The request does not seem to be seconded by one-fifth of the Senators present. The question is on agreeing to the second subdivision of the amendment.

The amendment was rejected.

Mr. McCUMBER. Mr. President, I offer an amendment to take the place of paragraph 272, just stricken out by the committee.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 83, in place of the committee amendment, on line 12, it is proposed to insert, as paragraph 272, the following:

Flax straw advanced in condition or value by manufacture, but not hackled or dressed, one-half of 1 cent per pound.

Mr. WILLIAMS. I suppose a point of order would lie to this amendment. We have been over this flax matter and have voted on it, and the Senate has already adopted the amendment as to this paragraph. We went back to hemp this morning, because we passed it over to accommodate the Senator from Kentucky [Mr. BRADLEY]. I do not care to make any technical point; but I do submit to my friend from North Dakota—

The VICE PRESIDENT. The Chair is going to rule that this is identical with the original paragraph as passed by the House.

Mr. WILLIAMS. I said I would not make the point of order, but I thought there ought to be an end to litigation somewhere. The Senate has dealt with the matter once.

Mr. McCUMBER. I wish to say to the Senator, if the Chair please, that the Senator is wrong, and that the amendment is not at all identical with the language which was stricken out, as I can easily demonstrate.

Mr. WILLIAMS. That was not my point.

Mr. McCUMBER. The facts are these: One paragraph has been stricken out by the committee. I do not seek to amend that paragraph. I propose to put in an entirely new paragraph of an entirely different character.

Mr. WILLIAMS. But the point I was making was not that this has been stricken out by the committee, but that it has been voted on by the Senate. We dealt with this paragraph, dealt with it fully, and, in fact, devoted a day to it.

Mr. McCUMBER. That paragraph is entirely out. I am not seeking to amend it. Paragraph 272 has gone out. I am now inserting another paragraph, to be numbered 272, of an entirely different character. I should like to have the attention of the chairman of the committee, but, as he is not present, I can not delay my statement upon this matter.

I wish the Senator from Mississippi would look at this subject from the producer's standpoint. I shall not attempt to go over any of the argument I made the other day. I do wish to say, however, that I believe that with any kind of proper protection of the flax industry the production of spinning flax can

be made profitable in the United States. There seems to be almost a total lack of information as to what is meant by the terms "hackled tow" and "unhackled tow" as used in the bill, what is tow and what is not tow, when it ceases to be straw, and when it becomes the tow that is spoken of in the bill.

I am perfectly free to admit that the portion of the bill covering this subject was not intended to and did not, except incidentally, cover the product upon which I seek to have protection.

I have here the ordinary flax, so that you may understand the processes. It is a flax that is cut with the seed on it. It goes through the separator and these seeds are taken out. As it goes through the separator it is, of course, unfitted for any kind of spinning purposes except for the coarsest kind of fabrics. They do make out of that, I believe, the basis or the foundation for linoleum.

The next process, if we were going to make spinning flax out of this, would be to lay it out where the sun and the rain would fall upon it. That is called the retting, or rotting, process. That would separate the wood from the fiber.

In the ordinary manufacturing process, after that is done, it is taken to the mill and then the scutching process follows. In other words, we have a fiber with some of the woody pulp still on it. That is scutched off with a large knife, the same as the hair and other stuff is taken off of leather, through a scutching process. That is the third process.

Between those processes comes the hackling process, which is a combing out of the several strands. They first go through a coarse comb and then through a finer comb, until the material is fitted for weaving.

To show that this flax can be properly made from an American product by a new process that has no rotting or retting whatever in it, but is done entirely through the mill, I exhibit here a little bunch of flax straw just as it is cut very low. There is no retting process whatever. That, however, has gone through a new process that takes the woody pulp from it, and then it has gone through the process of hackling this portion, or combing it out. Then it is bleached, either in the sun or mechanically. The bleaching will cost in the neighborhood of about 1 cent a pound—a little under rather than above it.

I am not seeking, by the amendment I propose, to touch this product at all. If you think it needs too great a duty to justify the attempt to produce flax fiber in this country, well and good. But remember, we have a valuable product. That product is worth \$450 a ton.

Here is another product. I will take next the Belgian product. It is much shorter, but it is worth \$350 a ton. This is pulled by hand from the ground; it is hackled and scutched, and is ready for spinning linen. It can be bleached by the sun or artificially, at 1 cent a pound.

Here we have a very much longer fiber, that is pulled in Germany. It is hackled and scutched flax, pulled by hand from the ground, ready for spinning. That, also, can be bleached for about a cent a pound.

I have here another American product which you will see is fully as fine as that produced in Germany, and of a much longer fiber than that which is produced in Belgium. That is worth, also, \$450 per ton.

I have here another product of the United States which is made from a western flax. It is not very well taken care of, but it is worth over \$300 a ton.

The amendment does not touch this product. Here is the matter to which I wish to call the attention of the Senator from Mississippi. I know he is too far away to see what it is, but this comes from the ordinary straw that we raise out in North Dakota. In other words, it goes through the separator, through the thrashing machine. It is badly broken up. The straw is then hauled to a little mill with corrugated rollers. Those corrugated rollers break the straw into very small particles, and to a great extent separate the wood. This is unfit for spinning. You could not use it for the purpose of manufacturing any kind of a fabric. It is worth, as I state, in the neighborhood of twenty to twenty-three dollars a ton in that condition. We have a market for it, with a \$10 per ton protection, that justifies our people in hauling it to the mills, and justifies the mills in running it through the corrugated rollers and advancing it to this stage. Without that protection we could not pay the freight on it and haul it to the place where it is used in the manufacture of different kinds of cooling apparatus, in refrigerator cars, and so forth. It is pounded down very hard and compact. It keeps wonderfully dry. It will last forever. It does not rot, and will give the cooling and at the same time will not add very much to the weight. It has taken the place of charcoal and other substances in the manufacture of refrigerator cars.

We can use this article for that purpose. That is the one thing that I want protected to a sufficient extent. I am not going to call for a roll call on the amendment; but it does seem to me that when the committee reconsider this matter, if they see just what I am trying to protect and that it is not in what may be called the linen industry in any way, they will give it the consideration it deserves.

I simply ask for a vote upon the amendment I have offered.

The VICE PRESIDENT. The Chair wishes to ask the Senator from North Dakota whether the House provision was not applicable to the very article to which he has been addressing himself?

Mr. McCUMBER. No. I am not speaking here of flax, as it is called. The word "flax" relates to the fiber. The language of my amendment is "flax straw advanced in condition or value by manufacture, but not hackled or dressed."

The VICE PRESIDENT. The Chair did not catch the word "straw."

The question is on the amendment proposed by the Senator from North Dakota.

The amendment was rejected.

Mr. BRADLEY. Mr. President, I was just going to propose another amendment in regard to hemp when the Senator from North Dakota secured recognition.

I now offer an amendment restoring the duty provided by the House bill. I shall not ask for the yeas and nays on it.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 83, it is proposed to insert a new paragraph, as follows:

275½. Hemp, and tow of hemp, one-half cent per pound; hemp, hackled, known as "line of hemp," 1 cent per pound.

The VICE PRESIDENT. The Chair rules that that has already been passed on once in the Committee of the Whole, and the amendment is not in order.

Mr. BRADLEY. I was not here at the time that was done. I was ill, and it was especially agreed that it should be passed over in order that I might take it up on my return.

Mr. WILLIAMS. Will the Senator yield to me? The Senator from Kentucky is right about this hemp paragraph. It was passed over because he at that time was sick. We agreed that we would consider it then, but that whenever he came in he might move any amendment to it he chose. That was done by unanimous consent.

The VICE PRESIDENT. The question, then, is on agreeing to a motion to reconsider the vote whereby the Senate committee amendment was adopted striking out paragraph 275.

The motion to reconsider was agreed to.

The VICE PRESIDENT. The question now is on striking out the paragraph, which is the same language exactly as the amendment of the Senator from Kentucky. [Putting the question.] The ayes seem to have it.

Mr. BRADLEY. I ask for a division.

Mr. WILLIAMS. If we are going to have a division, I would rather have the yeas and nays.

The yeas and nays were ordered.

Mr. POINDEXTER. I should like to have the question stated by the Secretary.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 83 the Committee on Finance reported to strike out lines 16 and 17, in the following words:

275. Hemp, and tow of hemp, one-half cent per pound; hemp, hackled, known as "line of hemp," 1 cent per pound.

The VICE PRESIDENT. The Secretary will call the roll on agreeing to the amendment of the committee.

The Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I make the same announcement of my pair and its transfer as on the previous vote. I vote "yea."

Mr. CLARKE of Arkansas (when his name was called). I have a pair with the junior Senator from Utah [Mr. SUTHERLAND]. I see that he is not present, and I withhold my vote.

Mr. SHEPPARD (when Mr. CULBERSON's name was called). My colleague [Mr. CULBERSON] is unavoidably absent. He is paired with the Senator from Delaware [Mr. DU PONT]. This announcement may stand for the day.

Mr. LEWIS (when his name was called). I make a transfer of my pair to the Senator from North Carolina [Mr. SIMMONS] and vote "yea."

Mr. McCUMBER (when his name was called). I transfer my pair as before and vote "nay."

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. OWEN] and vote "yea."

Mr. THOMAS (when his name was called). I make the same transfer as before and vote "yea."

The roll call was concluded.

Mr. CHILTON. I transfer my pair with the junior Senator from Maryland [Mr. JACKSON] to the junior Senator from South Carolina [Mr. SMITH] and vote. I vote "yea."

Mr. BACON (after having voted in the affirmative). I note that the senior Senator from Minnesota [Mr. NELSON] has not voted. I therefore, having a general pair with him, withdraw my vote.

The result was announced—yeas 38, nays 36, as follows:

#### YEAS—38.

Ashurst	Kern	Pomerene	Stone
Bankhead	Lane	Reed	Swanson
Bryan	Lea	Robinson	Thomas
Chamberlain	Lewis	Saulsbury	Thompson
Chilton	Martin, Va.	Shafer	Tillman
Fletcher	Martine, N. J.	Sheppard	Vardaman
Hollis	Myers	Shields	Walsh
Hughes	O'Gorman	Shively	Williams
James	Overman	Smith, Ariz.	
Johnson	Pittman	Smith, Ga.	

#### NAYS—36.

Borah	Crawford	Lodge	Root
Bradley	Cummins	McCumber	Sherman
Brady	Dillingham	McLean	Smoot
Brandegee	Fall	Norris	Stephenson
Bristow	Gallinger	Oliver	Sterling
Catron	Jones	Page	Thornton
Clapp	Kenyon	Perkins	Warren
Clark, Wyo.	La Follette	Poin Dexter	Weeks
Colt	Lippitt	Ransdell	Works

#### NOT VOTING—21.

Bacon	Goff	Newlands	Smith, S. C.
Burleigh	Gore	Owen	Sutherland
Burton	Gronna	Penrose	Townsend
Clarke, Ark.	Hitchcock	Simmons	
Culberson	Jackson	Smith, Md.	
du Pont	Nelson	Smith, Mich.	

So the amendment of the committee was agreed to.

The SECRETARY. The next committee amendment passed over is, on page 87, in Schedule K, wool and manufactures of—

Mr. OLIVER. I understood that we were to take up paragraph 145 to-day.

Mr. THOMAS. Is the Senator from Iowa [Mr. KENYON] present?

Mr. BRISTOW. He will be here in a short time.

The VICE PRESIDENT. Paragraph 145, aluminum, is before the Senate.

Mr. OLIVER. Mr. President, on the 9th of last month the junior Senator from Iowa [Mr. KENYON] delivered an address on the pending bill. The Senator's speech takes up 13 pages of the CONGRESSIONAL RECORD, out of which 8 pages are devoted to a discussion of the aluminum industry, or rather to a wholesale arraignment of the Aluminum Co. of America. The Senator during his career has had large experience in prosecuting malefactors, or supposed malefactors, and with varied success has taken an active part in the enforcement of the Sherman antitrust law. But I venture to say that never during his entire professional career has the Senator, when representing the prosecution, delivered an address to judge or jury in which all of the facts or alleged facts that would be damaging to the accused were brought into prominence and everything that could be said in reply to them was minimized or suppressed to the extent that it has been done in this instance. I would be failing in my duty to my fellow townsmen, pioneers in a great industry, if I allowed to pass unchallenged many of the statements which the Senator so recklessly made and did not endeavor to correct, as far as possible, the false impressions he left on the minds of those who heard him.

I listened with great attention to what the Senator from Iowa said from the beginning to the end of his speech. I do not know whether he intended it or not, but I am certain that when he concluded every Senator who listened to him and who had not studied the question was under the impression that the Aluminum Co. of America was substantially without a competitor in this country, not only in the manufacture but in the sale of its product, for the Senator entirely ignored the fact that during practically all the years it has been in business it has been subject to the open and vigorous competition of the product of European plants. The manufacture of aluminum in Europe has more than kept pace with the progress of the industry in the United States, so that to-day the European plants produce approximately 100,000,000 pounds annually, while the normal demand of Europe amounts only to about one-half that figure. The European producers are protected in all parts of the world except in the United States by their cartels and syndicate agreements, which are favored by their Governments and form the universal method of doing business in con-

tinental Europe in all the great industries. As a result of this the United States is a favorite field which the British and continental manufacturers use as a dumping ground for their surplus product.

Statistics show that the total imports of aluminum and its products during the fiscal year ending June 30, 1912, amounted to 15,646,405 pounds, upon which duties were collected amounting to \$1,122,252.87, and to show the astounding increase of these importations, notwithstanding the imposition of what the Senator from Iowa would term a prohibitive duty, I submit a statement taken from the Government records of the aluminum imported into the United States for the fiscal year ending on the 30th of June last. The published statements, I will say, only come up to the 30th of June, 1912. It shows that there were imported during that period 28,158,525 pounds; that the value thereof was \$4,961,297; that the unit value of these imports showed an average price of 17.6 cents per pound, and that the duties collected amounted to \$2,196,555.03. The average price charged during the whole of 1912 by the Aluminum Co. of America to its customers was 18.11 cents per pound, showing a difference between the price that company charged and the average import price of less than 1 cent a pound, and still the Senator from Iowa would have us believe that the company has uniformly held the price at just a little above or a little below the amount of duty over and above the foreign price.

The amount of duties collected on this commodity during the fiscal year was \$2,196,555.03. What will this amount to and how greatly will the development of the industry in this country be retarded if this duty is reduced to 2 cents a pound, or as proposed by the Senator from Iowa, swept away altogether? As a revenue proposition it seems like insanity to surrender this revenue unless it is proposed that the Government in the future is to depend entirely upon the income tax for its revenue. I have here a statement in detail, which I ask leave to insert in the RECORD.

*Importations of aluminum into the United States, fiscal year ending June 30, 1913.*

	Quantity in pounds.	Value.	Duties.
First quarter:			
Crude.....	3,020,700.2	\$368,778.00	\$211,449.01
Plates, sheets, bars, etc.....	118,962.5	22,610.00	13,085.90
Manufactures of.....		75,333.00	33,908.40
Second quarter:			
Crude.....	9,374,776	1,520,468.00	656,234.32
Plates, sheets, bars, etc.....	343,023.5	71,829.00	37,732.59
Manufactures of.....		93,932.00	42,278.40
Third quarter:			
Crude.....	7,300,702	1,190,310.00	511,049.14
Plates, sheets, bars, etc.....	474,580	107,615.00	52,247.81
Manufactures of.....		105,971.50	47,687.18
Fourth quarter:			
Crude.....	6,945,934	1,168,024.00	486,215.38
Plates, sheets, bars, etc.....	579,447	145,436.00	63,739.17
Manufactures of.....		90,950.50	40,927.73
Grand total.....	28,158,525.2	4,961,297.00	2,196,555.03

It will be seen from this that during this one year the imports amounted to just a little more than 70 per cent of the total production of the Aluminum Co. of America, and in the face of this the Senator from Iowa contends that this company has an absolute monopoly of the sale of this article in the United States of America.

Aluminum was discovered in 1854, but, owing to the difficulty of its extraction, from that date to the formation of the Pittsburgh Reduction Co. in 1888, the total production for the entire 34 years did not exceed 200,000 pounds, which sold for \$8 a pound and even higher. In 1888 a group of Pittsburgh business men put up a fund amounting to \$20,000 for exploiting the patent and process of Charles M. Hall for the manufacture of aluminum, holding an option on the patent in the name of a small company formed for that purpose, and styled the Pittsburgh Reduction Co. In 1889 the Hall patent was acquired, and under the terms of the option the Pittsburgh Reduction Co. was made a company with \$1,000,000 capital stock, of which about one-half was paid in cash, and the remainder issued for the patent. There has been some controversy as to the exact amount of stock that was issued for this patent, but it makes little difference, for even if the patent right was bought in for the entire amount of the capital stock, in this case it certainly will be acknowledged that it was worth all and more than could possibly be charged for it. In 1890, \$600,000 of new stock was issued for cash at par, and in 1905, \$2,200,000 more of the new stock was issued, of which \$1,200,000

was paid for in cash and the remainder issued as a stock dividend. The company has since declared other stock dividends, so that the total outstanding stock is now \$18,750,000, and it has a surplus to-day which makes its net assets worth about \$30,000,000. In 1909 the name of the company was changed from the Pittsburgh Reduction Co. to the Aluminum Co. of America, but no other change was made in its organization. It was a change of name and no more. When this company started in business in 1890 aluminum was selling at \$2.50 per pound. It was regarded more as a toy than anything else and there was but little demand for it as an article of general usefulness; but the successive reductions in price which were made by the Aluminum Co. of America brought about a steadily increasing demand, and in 1893 the output of the company amounted to 215,000 pounds. This was sold at about 75 cents per pound. It was not until 1896 that the output exceeded 1,000,000 pounds. From 1896 to 1912 the output gradually increased from 1,100,000 pounds in 1896 to about 40,000,000 pounds in 1912. This increased output was accompanied by continuous and successive reductions in price. As I have stated, the average price in 1890 was about \$2.50 per pound, and in 1912 the average price of all aluminum sold by the Aluminum Co. of America was 18.11 cents per pound.

The Hall patent expired in 1906, but the company still had a virtual monopoly on the manufacture by reason of its license under the Bradley patent, which expired in 1909. Since the expiration of that patent, while they have had an actual monopoly of manufacture, there has been no legal monopoly, and the field has been free to anybody who might wish to enter it. There are two reasons why no competitor has heretofore appeared in the field. One is the enormous amount of capital required, and the other the great difficulty in securing water-power privileges, which are an absolute necessity to the successful and economic conduct of the industry; but there is now in course of construction in the State of North Carolina a plant which, when completed, will be an active and strong competitor of the Aluminum Co. of America. I will refer to it fully later on.

The speech of the Senator from Iowa was nothing more or less than an indictment of the officers and owners of the Aluminum Co. of America. Almost every crime known to the business world was laid at their doors. The Senator was almost dramatic in his effort, and his speech undoubtedly produced a profound effect on those who listened to him. I can not hope to compete with him in his manner of presentation of these charges, but I do expect by laying before the Senate the cold facts to overcome the impression he produced.

Of all things charged against this company, there are three, and three only, of which the company has been guilty; not one of the others is borne out by the facts. It is true, first, that this company has to-day a monopoly of the production—not the sale—of aluminum in the United States; second, that the stockholders have made a very large amount of money out of the business; if business success is a crime and enterprise and energy are worthy of bonds, then these men are criminals—and not otherwise; and, third, that the Government brought suit in the District Court of the United States for the Western District of Pennsylvania, charging it with being a monopoly in violation of the Sherman Antitrust Act, and that the company consented to a decree enjoining it from doing certain specified acts; but it never acknowledged that it violated the Sherman law, and the decree does not so find.

In his speech the Senator from Iowa states as facts all of the allegations contained in the bill in equity filed by the Government, but makes no allusion whatever to the defendant's answer, which specifically denies every one of the alleged acts so far as they constitute a violation of the Sherman Act, either in letter or in spirit.

I will now proceed to examine these different allegations in some detail:

First. The Senator says it is quite apparent that the Aluminum Co. has a monopoly as to bauxite. Now, I say, Mr. President, that there is nothing whatever upon the record which shows that this company has a monopoly or anything approaching a monopoly as to bauxite. In the development of its business the men who guided the affairs of the company wisely decided that as far as possible they ought to obtain sufficient reserves of raw material to supply their wants for some years ahead at least. In their efforts to do this they have to-day control of enough bauxite to last them for not more than 10 years ahead at their present rate of production. There is plenty of bauxite in the country to supply all comers, but it must be developed before it can be used. In fact, the Government's bill of complaint, while it charges this company with endeavoring to obtain control of this raw material, practically

nullifies this charge by the following statement—I read from the bill as filed by the Department of Justice:

Furthermore, petitioner does not now insist that it was unlawful within itself for defendant by the various purchases above described to acquire and hold so large a per cent of the bauxite known to exist in the United States suitable for the manufacture of aluminum. What other deposits of bauxite there may be in the United States, and the character and extent thereof, it is impossible now to state; but petitioner is advised that there are practically inexhaustible quantities abroad, which may be mined and shipped into the United States at such prices as would enable independent companies to successfully compete with defendant were all other restraints removed from the aluminum industry. Hence, petitioner does not attack defendant's ownership of the various deposits of bauxite to which it now has title.

Now, while the Senator from Iowa alleges this charge against the Aluminum Co., he makes no mention of its virtual withdrawal by the Department of Justice.

While we are on the subject of bauxite, I may as well add another chapter. In February last, after the termination of the suit, the Aluminum Co. desired to add still further to its reserves of bauxite by the purchase of certain property in Arkansas containing bauxite ore. They were about to establish another plant in Tennessee, which is now in course of construction, and the bauxite properties which the company then owned and controlled were not sufficient in their opinion to insure a satisfactory supply for the new plant, in addition to the old ones. As a matter of precaution, therefore, they wrote to the Attorney General stating their intention and submitting estimates and tables, together with the report of eminent geologists and engineers, to the effect that the bauxite which they controlled would be exhausted at the present rate of consumption within 10 years, and requesting the Attorney General to advise them, as far as he could, whether or not they would be safe in purchasing this additional supply of bauxite. In due course they received a reply from the department, which I will ask the Secretary to read.

The PRESIDING OFFICER (Mr. WALSH in the chair). There being no objection, the Secretary will read as requested.

The Secretary read as follows:

DEPARTMENT OF JUSTICE,  
Washington, D. C., July 23, 1913.

MR. ARTHUR V. DAVIS,  
President Aluminum Co. of America, Pittsburgh, Pa.

DEAR SIR: A variety of circumstances have prevented me from sending a reply to your letter of February 20 last, asking whether the purchase by your company of 550 acres of bauxite land lying in the State of Arkansas and belonging to the Sawyer-Austin Lumber Co. will violate the decree in the case of the United States v. Aluminum Co. of America and others, in the United States District Court for the Western District of Pennsylvania. You state, in some detail, the facts and circumstances as you understand them.

The policy of this department inhibits us from giving opinions which could be regarded as binding upon the Government, except to the President and heads of departments. You will readily appreciate how impossible it would be for us to advise the various corporations with which the Government has had or may have litigation concerning the details of their business.

However, it seems permissible to say that, nothing else appearing except what you have written, no reason now occurs to me for thinking that what you propose to do would be in violation of the decree.

Very respectfully, for the Attorney General,

J. A. FOWLER,  
Assistant to the Attorney General.

Mr. OLIVER It will be seen from this, Mr. President, how exceedingly flimsy is this charge that the Aluminum Co. ever sought to control or does control bauxite properties to any further extent than is absolutely necessary for the legitimate supply of its wants. There is no doubt in my mind that there is plenty of bauxite in this country to supply all possible wants for generations to come. The necessity for it will induce exploration, and exploration will produce the mineral; otherwise, all users, the Aluminum Co. included, will be driven to France for their supply. I understand that in that country the supply is practically unlimited; that it is easily mined and is obtained at an exceedingly low cost as compared with the cost of mining it in Arkansas, where the deposits occur in pockets and not in large bodies.

The Senator from Iowa says, quoting from the Government's bill:

The history of the aluminum cooking utensil business in the United States is a history of shipwrecks caused chiefly by the arbitrary, criminal, and unfair dealing of the Aluminum Co. of America.

Even in his quotations the Senator is unfair. I will read the exact language of the bill:

The history of the aluminum cooking utensil business in the United States is a history of shipwrecks—possibly in part caused by inefficiency, necessity of experiment, and lack of capital, but caused chiefly or contributed to by the arbitrary, discriminatory, and unfair dealings of the defendant.

It will be noted that the Government in its bill modifies greatly its statement with regard to the unfair dealings of this company with reference to the cooking utensil industry. The Senator, however, having first emasculated the sentence, allows

it to go into the RECORD practically without comment. In its answer the defendant company absolutely and specifically denies any charge of discrimination or of unfair treatment. It says—

the defendant does not now and has not in the past unlawfully, substantially, or in any degree restrained or monopolized the interstate trade and commerce in cooking utensils. Many of the manufacturers of aluminum cooking utensils in the United States, in which the defendant company has no financial interest, have been prosperous; in fact they have all been prosperous where they were efficiently managed, had an adequate capital, and manufactured utensils of good quality. It is true that in the early history of the cooking utensil business in the United States many of the persons who undertook to manufacture the same produced aluminum cooking utensils of such poor quality that aluminum cooking utensils were being discredited and the market therefor largely destroyed, and it became necessary for the defendant company to embark in the manufacture of cooking utensils in order to produce manufactured articles which would be satisfactory to the consumers and thus develop a market for aluminum, and the development of the cooking utensil business in the United States has been largely, if not solely, the result of the defendant's efforts.

The Aluminum Cooking Utensil Co. was started by the Aluminum Co. of America in 1902. There was submitted to the United States Government a list of 11 companies manufacturing aluminum cooking utensils exclusively, 10 of which started in business since the Aluminum Cooking Utensil Co. was formed, and all of which have always obtained, and still do obtain, their aluminum from the Aluminum Co. of America, and whose business has constantly increased. Since this list was submitted to the Government there have been several other cooking utensil companies started, all of which are customers of the Aluminum Co. of America, and none of them have complained of bad treatment by that company.

Now, with regard to aluminum castings; it is true that the Aluminum Co. of America owns about 1,600 out of the 4,000 shares of the capital stock of the Aluminum Castings Co. They do not control that company, and they are under an express contract with the majority stockholders that they will never buy from anybody sufficient shares to give them control. The business is conducted by the majority stockholders, who look out for their own interests, and the Aluminum Co. in its answer to the bill expressly denies that under any circumstances they give this company any preference of any kind over their other customers. That the Aluminum Castings Co. does not by any means control or even dominate the business of the country in such castings is shown by the fact that at the time the suit was brought by the Government there were in the United States 322 foundries manufacturing aluminum castings, and to-day there are more than that number. Each of these foundries is continually increasing the amount of its product, and they are all prosperous. The company absolutely denies—and I believe every word they say—that either the Aluminum Castings Co. or the Aluminum Utensils Co. has been favored as to deliveries over other customers. As a matter of fact, during the shortage in aluminum in the latter part of 1912, to which I will refer hereafter, the company cut down its shipments to these two companies 50 per cent in order to supply aluminum to others, and the books of the company show that the companies in which the Aluminum Co. is not interested fared better during that shortage than the companies in which it is interested. The same thing exactly will apply to aluminum goods and novelties. The Aluminum Co. of America owns only about 31 per cent of the capital stock of the Aluminum Goods Manufacturing Co. That company is managed and conducted, as are the other companies, in an independent manner by the majority of the stockholders. The Aluminum Co. of America denies that it furnishes crude aluminum to that company at any unduly preferential rates, or at rates that would enable that company to underbid its competitors.

Mr. President, in my time it has been my lot to read many legal documents, but I feel justified in saying that in all my experience never have I come across a paper bearing upon an important question which is so weak in all its essential elements as the bill in equity filed by the United States Government against this company. It alleges everything; it specifies nothing. With the exception of five contracts which it recites, and which it alleges to be in restraint of trade, it deals in generalities only.

Sometime during the summer or fall of 1912 the newspapers reported that the Government was preparing to bring suit against the Aluminum Co. for violation of the Sherman Act. Upon receiving this information Mr. Davis, president of the company, informed the Department of Justice that the company was not knowingly violating the law in any way whatever; that if it was the officers would like to be informed of it and would rectify whatever in the opinion of the Attorney General was wrong; and they voluntarily opened up to the department

all of their papers, books, contracts, and everything that had been done from the very commencement of the company's existence. It was a wholesale show-down. And I may here add that it was by this means that the department obtained the information which enabled it to include in its bill the only specific acts with which the company was charged, namely, the Norton agreement, the General Chemical Co. agreement, the contract of the Pennsylvania Salt Manufacturing Co., and the Kruttschnitt-Coleman, and the A. J. A. G. agreements. An examination of the bill in equity will show that outside of these agreements everything in the bill consists of general statements, of which there is no proof whatever, not made under the sanction of an oath, and not one of which recites any specific act; and this fact assumes all the more prominence when we consider that the Government goes into extreme detail with regard to the five agreements to which I have alluded. Does it not follow from this that if they had the facts as to the other things charged they would be equally specific with regard to them? In reality they had no facts and they had no case, but the Department of Justice having embarked upon the enterprise, and having announced its intention to bring suit, was unwilling to abandon it and insisted upon filing its bill.

The company made answer denying all the allegations in the bill so far as they charged violations of the Sherman Act, and where the facts were admitted, as in the case of the agreements I have mentioned, they denied that they constituted violations of that act. Finally the Government submitted a decree, to which the defendant's officers willingly consented, for it enjoined them from doing nothing that they had been doing. It directed the cancellation of the A. J. A. G. agreement, which had been terminated by the company's own action more than a year before the suit was brought or contemplated. It also directed the cancellation of the three contracts relating to a limitation of the use of bauxite on the part of the Norton Co., Pennsylvania Salt Manufacturing Co., and the General Chemical Co., but these contracts had also been terminated before the suit was brought, after a conference with the officers of the Department of Justice. The company had also purchased some stock in one of its subsidiary companies from Messrs. Kruttschnitt and Coleman, and in connection with the purchase had obtained from these two men a contract by which they had agreed not to engage in the manufacture of aluminum east of Denver, Colo., for a term of 20 years. The decree directed a cancellation of this contract, and the company complied therewith. I am not enough of a lawyer to say whether a contract like this is a violation of the Sherman Act or not. I do know that it is not so many years since I entered into a contract of that kind myself, by which I agreed for 10 years not to engage in a certain line of business within certain specified limits. This contract was drawn up by the present senior Senator from Iowa, and I know that at that time I never thought I was engaging in an illegal transaction, and I do not believe that the Senator from Iowa considered that he was participating in one. Beyond the cancellation of agreements, all of which had already been canceled, the decree, as I have stated, simply enjoined the Aluminum Co. and its officers from doing a great number of things which they never had done, and were perfectly willing to be enjoined from doing, because they did not intend to do them at any time thereafter. It might be asked why they did not fight if they had such confidence in their position. The answer to that is plain. There was no denying the fact that the company had, and still has, a monopoly of the manufacture of aluminum, and being a monopoly they realized that it was but reasonable that their operations should be subject to closer scrutiny than that of other industries in which competition exists. But as it stands, the injunction is a mere brutum fulmen. It aimed at nothing and it hit nobody.

One of the most remarkable things about this remarkable decree is its conclusion. Both the lawyers and the court must have been in grave doubt as to the right to issue any injunction whatever, because after formulating the order by which they directed the defendant to refrain from doing a lot of things which it had not been doing, they limited the provisions of the decree by a set of provisos which effectually removed any sting that might have been concealed in it. They are so unique that I will read them:

*Provided, however,* That nothing contained in this decree shall be construed to prevent or restrain the lawful promotion of the aluminum industry in the United States.

*Provided further,* That nothing herein contained shall obligate defendants to furnish crude aluminum to those who are not its regular customers to the disadvantage of those who are whenever the supply of crude aluminum is insufficient to enable defendant to furnish crude aluminum to all persons who desire to purchase from defendant, but this proviso shall not relieve defendant from its obligation to perform all its contract obligations, and neither shall this proviso, under the conditions of insufficient supply of crude aluminum referred to, be or con-

stitute a permission to defendant to supply such crude aluminum to its regular customers mentioned with the purpose and effect of enabling defendant or its regular customers, under such existing conditions, to take away the trade and contracts of competitors.

*Provided further,* That nothing in this decree shall prevent defendant from making special prices and terms for the purpose of inducing the larger use of aluminum, either in a new use or as a substitute for other metals or materials.

*Provided further,* That nothing in this decree shall prevent the acquisition by defendant of any monopoly lawfully included in any grant of patent right.

*Provided further,* That the raising by defendant of prices on crude or semifinished aluminum to any company which it owns or controls or in which it has a financial interest, regardless of market conditions, and for the mere purpose of doing likewise to competitors while avoiding the appearance of discrimination, shall be a violation of the letter and spirit of this decree.

Then, at the end follows its remarkable conclusion. I quote:

This decree having been agreed to and entered upon the assumption that the defendant, Aluminum Co. of America, has a substantial monopoly of the production and sale of aluminum in the United States, it is further provided that whenever it shall appear to the court that substantial competition has arisen, either in the production or sale of aluminum in the United States, and that this decree in any part thereof works substantial injustice to defendant, this decree may be modified upon petition to the court after notice and hearing on the merits, provided that such applications shall not be made oftener than once every three years.

It is further ordered that the defendants pay the cost of suit to be taxed.

Now, if this means anything, it must mean that if the Aluminum Co. had not had a monopoly of its manufacture, the Government would have had no case at all, and no injunction would then have been granted; and it specifically provides that if substantial competition arises the court will modify the decree.

That there is now "substantial competition" in the sale of aluminum I have already shown. I will now say something about the coming competition in its manufacture. On page 449 of the briefs and statements filed with the Senate Committee on Finance is a brief of the Southern Aluminum Co., of Whitney, N. C.

I am sorry the Senators from North Carolina are not in the Chamber, because much of what I am going to say is based upon information received from one of them. In it the Southern Aluminum Co. states that it is starting the construction of a plant for the manufacture of aluminum at Whitney, N. C., utilizing the water power of the Yadkin River. The building of the plant and the development of the water power will cost approximately \$10,000,000. The plant when completed will offer employment to approximately 1,500 workmen, which will in turn necessitate the building of an industrial town. It then goes on to give some statistics with regard to the manufacture of aluminum, most of which have already been presented to you, and to pray for a specific duty on the product.

Within the last few days I have been informed by the junior Senator from North Carolina that the outlay of this company will be from \$12,000,000 to \$15,000,000 instead of \$10,000,000; that they are prosecuting their work with great diligence, and that they think they have discovered extensive deposits of bauxite in their near vicinity.

In this connection I send to the Secretary's desk and ask to have read an article concerning this enterprise from the Manufacturers' Record, a southern industrial paper published at Baltimore, under date of the 21st ultimo.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

#### THE ALUMINUM INDUSTRY IN THE SOUTH AND THE TARIFF ISSUE.

The announcement has been made by the Southern Aluminum Co., which is now building a plant at Whitney, N. C., to cost between \$10,000,000 and \$12,000,000, that if aluminum is put on the free list, as has been proposed in the tariff discussion, the company will abandon its undertaking, and thus North Carolina would lose the establishment of the largest industry ever started in that State.

This North Carolina enterprise, while it has some American capital, is largely financed by French people, some of whom are interested in the great aluminum plants in Europe. The extent of the aluminum industry in this country and abroad is not generally understood. The United States is already producing 40,000,000 pounds a year, while there are a large number of aluminum plants in various parts of Europe, including France, Germany, Sweden, and other countries, where water power at a low cost is available and where vast supplies of bauxite can be had at a low figure. Many of these foreign plants, if not all of the leading ones, are, it is said, syndicated and their financial operations controlled by banking houses. Some of them are able to secure water power as low as \$6 per horsepower per year, and the supply of bauxite is reported as almost unlimited—indeed, there is a great mountain of it, from which the material is mined at a low cost. The rate of wages in foreign plants is said to be about 80 cents a day for a 12-hour working day, while in this country the rate for similar grade labor in aluminum work is about \$2 a day for an eight-hour day.

Surely Congressmen from the South should be sufficiently interested in the industrial development of their section, for industrial progress is essential to agricultural prosperity, to see that the industries of the South receive a measure of protection fully equal to that given those of other sections. Of what avail are our limitless stores of coal and iron

and clays and other resources out of which to create vast industrial wealth if through false political economy these resources are to remain dormant, valueless to their owners, to the South, and to the world?

Mr. KENYON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Iowa?

Mr. OLIVER. I yield.

Mr. KENYON. I understand a part of that article was omitted. I have here the article in full. It is from the Manufacturers' Record of August 21, 1913. I do not know whether the part referred to was intentionally omitted or not.

Mr. OLIVER. I omitted the part which referred in detail to the development of the company, thinking it was not directly pertinent.

Mr. KENYON. The omission was intentional, then?

Mr. OLIVER. Oh, yes. I did not intend to insert all of it, because I did not want to extend it at such length.

Mr. KENYON. I had intended to insert it all.

Mr. BACON. Mr. President, as the Senator from Pennsylvania has noted the absence of the Senator from North Carolina, I wish to say that I have had inquiry made, and I find that he has been called away upon official business.

Mr. OLIVER. I am sure the Senator from North Carolina is not absent without cause, Mr. President.

I may add here that the Southern Aluminum Co. is largely owned by the principal owners of the French Aluminum Co., together with some of the large metal dealers in New York; that it has no connection whatever with the Aluminum Co. of America, but proposes to be a distinct and direct competitor with that company for American business. I am also informed that they expect to develop bauxite fields on this side of the ocean sufficient to supply their wants, but in case they are unable to do this they can obtain an abundant supply from France, where the deposits are near the sea, and can be transported direct from there to North Carolina seaports. It can easily be seen how unjust it would be to a new industry like this, bringing to the country millions of dollars of capital and involving the development of the great natural resources of the South, to absolutely open up our markets to free foreign competition.

Mr. KENYON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Iowa?

Mr. OLIVER. Certainly.

Mr. KENYON. I am not going to interrupt the Senator again, because I know it is unpleasant, and it is better to wait until I can speak in my own time. But, referring to the point the Senator is now on, I should like to inquire if it is a fact that the Aluminum Co. of America has no connection whatever with the Southern Aluminum Co. or any of its officers?

Mr. OLIVER. I am assured that there is no connection whatever. This is reinforced in my mind by the fact that when I asked them about it they knew nothing whatever about the state of development of the enterprise, or anything of the kind.

Mr. KENYON. I have been informed that there was some connection, but I do not know.

Mr. OLIVER. I think I can assure the Senator that that is based on mere suspicion, because I know, or think I know, that it is not the case.

Mr. KENYON. Has the Senator information as to that from the officers of the Aluminum Co. of America?

Mr. OLIVER. It is from the officers that I obtained my information.

Mr. KENYON. From the officers of the company?

Mr. OLIVER. Yes; from the officers of the company, that there is no connection whatever between them.

Mr. KENYON. Would the Senator mind stating who are the officers to whom he refers?

Mr. OLIVER. I received this information directly from Mr. Finney, who is the southern sales agent of the company, with headquarters here in Washington.

Mr. KENYON. Of the Aluminum Co. of America?

Mr. OLIVER. Of the Aluminum Co. of America. I also have received some information from Mr. Davis, although I did not inquire directly from him, because it did not occur to me when I was talking with him; but I did, later on, ask Mr. Finney, and he assured me that there is no connection whatever.

Mr. KENYON. I do not know of my own knowledge as to the matter.

Mr. OVERMAN. Mr. President, I think I can say to the Senator that there is no connection whatever. I wish to say, unless the Senator has already stated it, that these French people were forced here. The French people bought some bonds of what was known as the Whitney Power Co. This company

came down into North Carolina and built a dam about 30 miles from where I live for the purpose of developing power and furnishing power to railroads and cotton mills. The panic came on, and the company failed. In the meantime the Southern Power Co. were established near Charlotte and erected a great power plant on the Catawba River or its tributaries, and they succeeded in getting contracts for power with all our cotton mills. Nearly every cotton mill in the State is being run by power furnished by the Southern Power Co.

Mr. Whitney, who lived in Pittsburgh, Pa., and who financed this Whitney Co., failed, and the company failed; the matter was in litigation for a long time, and finally the property of the company was ordered to be sold.

The Frenchmen, who I think owned about \$400,000 worth of these bonds, purchased the property. They then had the dam, partially completed, and about 10,000 acres of land. They found that the Southern Power Co. had come into this territory and had contracts to furnish the power for all these factories, and there was no field for activity or operation for another power plant in that section.

The French people therefore concluded that to utilize the property they were forced to purchase they would build an aluminum plant. I have seen their prospectus, and I know their officers can not speak English, because they had to speak to me through an interpreter. They are selling bonds in France now to complete the concern. They have a force there now of about 3,000 people, I am told, and have contracted for 250 houses, and all the officers are Frenchmen. I do not think they have any connection whatever with the American concern. I am sure of it, in fact, from what I have been told; and from all the circumstances—and I have examined into it—I think it is an entirely independent concern.

Mr. OLIVER. I think there is no doubt of that, Mr. President.

The Senator from Iowa, to show the arbitrary method adopted by the Aluminum Co. of America in dealing with its customers, inserts a copy of one of their contracts of sale, which he says is "a fair sample of the harassing methods employed by this arrogant monopoly toward those who were compelled to deal with them."

A critical examination of this contract will show that, while it is rather stringent in its provisions, it is not in anyway one-sided, and that it does not bind the customer to do anything except to specify in reasonable time for the aluminum which he has agreed to buy; but in reality it is not the usual form of contract which the company uses in dealing with its ordinary customers—it is a special form used in sales to importers and others, who only buy from the Aluminum Co. when they are unable to fill their wants from abroad. I have here a copy of the company's usual contract, simple and direct in its provisions, which I will ask the Secretary to read.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary proceeded to read the form of contract.

Mr. OLIVER. If the Senate will allow me I really do not think it is necessary to take time in reading it. I ask that it be inserted in the Record.

The PRESIDING OFFICER. That order will be made without objection.

The matter referred to is as follows:

ALUMINUM CO. OF AMERICA,  
Pittsburgh, Pa.,

This contract between Aluminum Co. of America, Pittsburgh, Pa., hereinafter called the company, and \_\_\_\_\_, hereinafter called the purchaser, witnesseth:

(1) Within eleven (11) months from this \_\_\_\_\_ date, the company will furnish and the purchaser will buy in approximately equal monthly installments not less than 400 nor more than 600 net tons (2,000 lbs. each) of aluminum ingot at the following prices:

No. 1 grade \_\_\_\_\_ \$ per lb.  
No. 12 alloy \_\_\_\_\_ \$ per lb.

Other standard grades at the current extras or discounts from the No. 1 grade price in effect on the date orders are placed.

These are f. o. b. New Kensington, Pa.; Niagara Falls, N. Y.; or Massena, N. Y., at the company's option.

(2) The company's invoices will be payable without discount in New York or Pittsburgh exchange 30 days from date of bill of lading.

(3) Strikes, fires, differences with workmen, accidents to machinery, or other unavoidable causes will excuse either of the contracting parties from sending or executing orders.

(4) This contract is void unless accepted on or before \_\_\_\_\_ and in any event unless approved by the company's general sales agent.

Accepted \_\_\_\_\_, 1912; Submitted \_\_\_\_\_.

By \_\_\_\_\_

Approved \_\_\_\_\_, 1912.

ALUMINUM CO. OF AMERICA,  
By Manager.

ALUMINUM CO. OF AMERICA,  
By General Sales Agent.

Mr. OLIVER. Now, who are the men who are asking for a reduction or the removal of the duty on aluminum? An examination of the proceedings before the Ways and Means Committee of the House and of the briefs filed with the Finance Committee of the Senate will show that the most urgent ones are New York importers, who hope to increase their sales by reason of this legislation, and even they, as a rule, are only urging that the duty be reduced and not that the commodity be placed on the free list. The protests from the manufacturers are exceedingly few, and there would be practically none if it were not for an aggressive campaign conducted by the agent of the British Aluminum Co., Mr. Arthur Seligmann, of New York City. This gentleman in January last sent out broadcast a circular letter to all the manufacturers of aluminum products throughout the country which contained two glaring misstatements. The letter is published in the hearings before the Ways and Means Committee, on page 1483.

I have lately learned that immediately on the publication of the rates of duty recommended by the Finance Committee (2 cents per pound on ingots and 3½ cents per pound on sheets) this same British company, represented in America by this same Arthur Seligmann, placed contracts for 24 stands of sheet rolls and 7 foil rolls, a plant large enough to supply the entire sheet consumption of the United States. So soon are we to reap the fruits of these reductions.

Out of the hundreds of manufacturers of aluminum products in the United States to whom these letters were sent, so far as I can discover, only four responded by filing briefs with the Ways and Means Committee. The briefs of E. K. Morris & Co., the Milburn Wagon Co., and the Diller Manufacturing Co., all of which were inserted in the RECORD by the Senator from Iowa, were evidently inspired by this letter of Mr. Seligmann. This is shown by the fact that they are all dated within a few days after the date of his letter, and also by the fact that they repeat his misstatements almost in the same words. I will quote from Mr. Seligmann's circular and afterwards from the responses of the different companies:

Mr. SELIGMANN. It is also a well-known fact that aluminum can be produced as cheaply over here as it can on the other side, and only a few years ago very considerable quantities of aluminum were exported to Europe and sold by the American producer at prices ruling on the other side, which of course were much lower than the ones paid over here.

THE DILLER MANUFACTURING CO. It is also a well-known fact that aluminum can be produced as cheaply over here as it can abroad, and only a few years ago very considerable quantities of aluminum were exported to Europe and sold by the American producer at prices ruling on the other side, which, of course, were much lower than the prices paid over here.

E. K. MORRIS & CO. It is our opinion, based on the best information we can secure, that aluminum can be manufactured in this country nearly as cheap as abroad.

THE MILBURN WAGON CO. We further believe that this country can produce aluminum as cheap as other countries, because it was not very long ago that the United States exported a great deal of aluminum, and this aluminum was sold at lower prices than it was sold in this country.

It will be noted that the letter of the Diller Manufacturing Co. quotes the very words of Mr. Seligmann's letter. Now this letter was written at a time when there was an aluminum famine in this country. For some reason the demand for aluminum during the last half of 1912 was so great that the Aluminum Co. was unable to supply it. That company met the demands of its customers as far as it could, and, as I have before stated, reduced the quantity of ingots supplied to the companies in which it had an interest to one-half their requirements in order to supply the wants of its other customers so far as possible. Its managers even purchased some aluminum from abroad and handed it over to their customers at cost prices and in some cases at a loss. They did this because of their desire to hold their customers' business as far as possible and to prevent that dissatisfaction which must ensue when a manufacturer is unable to obtain a steady and reliable supply of raw material. Notwithstanding this, the demand exceeded the supply and the users of aluminum were consequently in a dissatisfied frame of mind. Mr. Seligmann's circular, therefore, fell on fertile soil, and it is a matter of surprise that the responses to it were so very few in number. In addition to these briefs there were two or three others filed with the Finance Committee later on, but I have no reason to suppose that there was any connection between Mr. Seligmann and these parties.

I may here add that the shortage of aluminum is now over and there is an ample supply for all who desire it.

The two misstatements in Mr. Seligmann's circular and in the briefs mentioned, to which I referred, are that aluminum can be produced as cheaply in this country as it can on the other side, and that the American producer (evidently referring to the Aluminum Co.) had been exporting the product of that company to Europe and selling at lower prices than those which prevailed over here. These statements are,

both of them, absolutely false, as I will demonstrate before I conclude.

There is still another letter which the Senator from Iowa inserted in the RECORD to which I refer with some regret, for its very insertion without qualifying comment seems to me to approach very near to an act of bad faith to the Senate and to the public. It is a letter from the Racine Manufacturing Co. of Racine, Wis. It contains this statement:

We know for a positive fact that the Aluminum Co. of America has exported material both in sheet and shapes to European countries by fast steamers, such as the *Lusitania*, *Mauretania*, and other fast boats, and the first thing that confronts them when they reach the European shores is the fact that they must meet the European competition and sell their stock anywhere from 20 to 25 cents per pound, which is the same stock that they are selling in this country at 30 and 40 cents per pound.

Now, at the time that the Senator from Iowa inserted this letter in the RECORD he must have read the testimony of Mr. Davis before the Ways and Means Committee of the House, for he quoted copiously from that testimony in his speech. And Mr. Davis at that time asserted most positively that never in its history had the Aluminum Co. of America exported any of its own products; that any exports it had made were the products of imported material upon which it obtained a refund of 99 per cent of the duty. Further than this, in the course of Mr. Davis's testimony, Mr. FORNEY, of Michigan, a member of the Ways and Means Committee, alluding to this same Racine Manufacturing Co., uses the following language:

Mr. Chairman, if Mr. Davis will permit me to interrupt him just for a statement. I think it is due to Mr. Davis and to the members of the committee to say that I received a letter from a firm to whom the Aluminum Co. of America sells aluminum, dated the 2d of December, in which they complain that the Aluminum Co. of America were selling aluminum cheaper abroad than they were selling it in this country. I wrote him and asked for a full explanation, and he finally, on December 26—and it is the manufacturing company of Racine, Wis.—and he apologizes and states that he was wholly misinformed, and that the information given to the chairman of this committee at that time was incorrect, and that there were no exports, as stated in his letter to Mr. Underwood on December 2.

I have here a copy of a letter written to another Member of Congress by the Racine Manufacturing Co., in which they make the same recantation of their charge. It is not long, and I will ask the Secretary to read it.

THE PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

RACINE, WIS., December 21, 1912.

THE HON. ANDREW J. PETERS,  
House of Representatives, Washington, D. C.

MY DEAR SIR: Since writing our letter of November 25 to the chairman of the Ways and Means Committee and our letter to you of November 30, 1912, we have received several replies to same from various Representatives in which they have asked us to verify the veracity of our report in regard to several items. The majority of exceptions have been to the fact that we claimed that the Aluminum Co. were exporting at the present time and not able to supply the local demand, but giving the European market the preference.

At the time we wrote this letter we believed that this was true, but in receiving so many responses, and all along the same line, we felt that we owed it to you and to every member of your committee to personally investigate the matter by a trip east.

The writer has just returned, and we find that our statements have been misleading. The records show that during 1908, 1909, and 1910 the Aluminum Co. exported considerable stock, due to the fact that there was an overproduction in this country. We, as well as other manufacturers, were not using anywhere near the quantity that we are using at the present time.

We also found that a good deal of the exported stock was made in Quebec and brought into this country in an ingot form under bond and rolled into sheets under bond in Buffalo, as we understand it. It was then exported and all the duty practically refunded.

Therefore, our statements to you have been misleading, because this proves conclusively that this stock was not made in the United States, but made in a foreign country, and the rolling into sheets was the only labor performed in this country, and as the stock in question has been bonded through from Canada, the Aluminum Co. would not have to contend with the American-made products.

We have also ascertained that there is now in process of organization an aluminum company to compete with the United States Aluminum Co. in this country.

We want to be fair with you in this matter, which explains our reason for our trip east, and we do not propose to make any statements that we can not substantiate.

Thanking you for the consideration shown and appreciating the efforts that you are putting forth, we are,

Yours, very truly,

RACINE MANUFACTURING CO.

By \_\_\_\_\_, Secretary.

Mr. OLIVER. Now, when the Senator introduced this letter had he forgotten that the Racine Co. had made the amend, or was he simply desirous of placing before the public everything that was prejudicial to this company and of concealing the real facts? I leave it to him to decide.

Mr. KENYON. Mr. President—

THE PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Iowa?

Mr. OLIVER. I do.

Mr. KENYON. The Senator is propounding that to me as a question. I did understand from the testimony that Mr. Selig-

mann, a man whom I do not know and never had any correspondence with, had withdrawn a certain letter he had written to the committee. I gathered together a large bunch of letters and had them introduced, perhaps without paying any particular attention to this particular letter. I did not understand, and I do not now understand, that the Racine Manufacturing Co. had withdrawn what they said, but I do understand from the Senator that they withdraw what they say about the information from Mr. Seligmann.

Mr. OLIVER. I beg pardon, Mr. President; the Racine Manufacturing Co.'s letter was written before Mr. Seligmann's letter was written, as the Senator will see from its date in the testimony, and it had no bearing upon it at all, and was not called forth by it. In fact, the Racine Co.'s brief or proposition to the Ways and Means Committee, as far as I have seen, is the only one that was voluntarily submitted by a manufacturer to the Ways and Means Committee. All the rest were submitted by importers, and, as Mr. Fordney stated, they in distinct terms withdrew their statement to the prejudice of this company about exportations.

But that is not all. I have stated that the Senator quotes very freely from the testimony of Mr. Davis, with a view of showing that that gentleman admitted acts of apparent wrongdoing on the part of his company, but he invariably selects out the point which suits him and omits to insert Mr. Davis's explanations which always follow. For instance, on page 3712, the Senator inserts a colloquy between Mr. Palmer and Mr. Davis referring to the trade agreement between the Canadian company and the European companies, but omits Mr. Davis's statement which immediately follows and which is in the following language:

But, as I say, that contract has no relation whatever to the United States, and so far as the United States business is concerned it is a decided detriment from our standpoint.

Mr. PALMER. Why?

Mr. DAVIS. Because these people have got a certain amount of surplus to dump and this is the only place to dump it, the United States, and that is where they send it.

Again referring to the same Canadian-European agreement, the Senator from Iowa inserts a long dialogue, from the reading of which an opinion prejudicial to the Aluminum Co. must be formed, but omits that which immediately follows. I read:

Mr. PALMER. Against the Sherman law for a company in America to make an agreement with a European company?

Mr. KENYON. What page of the record or of the hearings, if the Senator please, is he reading from?

Mr. OLIVER. I will state that I can not inform the Senator, but it follows shortly afterwards.

Mr. KENYON. The Senator does not happen to have the page of the hearings?

Mr. OLIVER. I have not the page of the hearings. I am sorry that I have not.

Mr. KENYON. All right; I will try to find it.

Mr. OLIVER. I have them all marked in my book of the hearings, but unfortunately have not the book at hand at this moment.

Mr. PALMER. Against the Sherman law for a company in America to make an agreement with a European company?

Mr. DAVIS. Well, I am not enough of a lawyer to tell whether it might be so construed, but we wanted to be absolutely on the safe side and be absolutely a law-abiding company. So we not only made no attempt to make an agreement—

Mr. PALMER (interposing). You made up your mind that you would do nothing that could possibly be construed as a violation of the laws of the United States?

Mr. DAVIS. Yes, sir.

Mr. PALMER. But you have a pretty accurate understanding with those companies over there about the price at all times, have you not?

Mr. DAVIS. Absolutely none, sir. If we had we would consider that we would be violating the law. I do not think there is a great deal of difference between a secret contract and a written one.

Mr. PALMER. They have made a contract for all the European markets and the Canadian markets between all the manufacturers of aluminum except yourselves, and you now say you are practically competing against a combination which is world-wide?

Mr. DAVIS. No, sir; you mean competing in the United States?

Mr. PALMER. Yes.

Mr. DAVIS. No, sir; because none of these companies have any connection with each other so far as the United States is concerned. Each of them operates quite independently and without the knowledge of the others at all.

Mr. PALMER. And with no understanding about price?

Mr. DAVIS. Absolutely none.

Mr. PALMER. Is there, in fact, any competition as to price for the American market as between those European companies?

Mr. DAVIS. Absolutely the most open and free, and from every standpoint the most virulent.

Another instance—on page 3712, the Senator from Iowa inserts the following:

Mr. RAINEY. Of course, you do not expect your Canadian company to furnish much competition, do you?

Mr. DAVIS. In this country?

Mr. RAINEY. Yes.

Mr. DAVIS. No, sir; naturally not.

But the Senator omits the following:

Mr. RAINEY. And on account of the agreement of your Canadian company with all of these other foreign companies you would not expect the foreign companies to furnish much competition for you, would you?

Mr. DAVIS. We not only expect it, but we have it. As I tried to explain, this agreement distinctly excludes the United States, and every company under the agreement is at perfect liberty to sell as much as it pleases in the United States and at whatever price it pleases.

Mr. RAINEY. Including the Canadian company?

Mr. DAVIS. Oh, yes; of course, including the Canadian company.

Mr. RAINEY. You do not expect them to do it, do you?

Mr. DAVIS. No; we naturally do not expect them to do a great deal; but there are, I think, 11 other companies which are free to import into the United States, and the figures show that they do import into the United States.

Then I skip a few paragraphs.

Mr. RAINEY. Is it not true that your Canadian company and these foreign companies are on such amicable and friendly relations that it leads to a gentlemen's agreement by which the foreign companies will not interfere with you very much in the United States?

Mr. DAVIS. Absolutely not, sir. I have already answered that question to Mr. Palmer and would like to reiterate it again to you that there is absolutely nothing of the sort and, in fact, just the reverse.

Mr. RAINEY. Does the fact that your Canadian company has a perfect agreement with all of the foreign companies produce a feeling of unfriendliness toward you?

Mr. DAVIS. It produces the keenest competition in this country, because this is the only country in which they can sell. The old saying is that "the proof of the pudding is in the eating of it." Now, the matter of fact is that they imported into this country last year 30 per cent of what we make, which does not look as though there was very much of a gentlemen's agreement.

I will pause here to say that I think even the Senator from Iowa will admit that Mr. Davis in his testimony acted toward the committee with the utmost frankness. He not only showed no effort to conceal anything, but he voluntarily gave the committee the fullest possible information with regard to his business, concealing nothing.

Mr. President, I have cited these instances and inserted these extracts to show—and I think I have shown—that the Senator from Iowa throughout the whole of his speech was actuated more by the zeal of a prosecutor than by a desire of fair and impartial discussion of the merits of the question before the Senate.

I will now turn to the point on which the Senator plays his high card, and upon which he evidently relied more than on anything else to produce in the minds of his hearers a feeling of resentment against this company. I refer to the famous Swiss agreement, denominated—I know not why—the A. J. A. G. agreement. In presenting this agreement he charges that its provisions are "so infamous as to constitute business treason." He says that "in this agreement the foreign company absolutely refuses to sell aluminum, directly or indirectly, to the United States Government." Now, I say, Mr. President and Senators, that nowhere within the lines of this agreement is there any mention whatever made of the United States Government, and that never, at its inception or during its existence, were sales to the United States Government contemplated or considered by either of the parties thereto or by anybody who had any connection therewith.

Mr. KENYON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Iowa?

Mr. OLIVER. I do.

Mr. KENYON. I do not want to interrupt the Senator, but—

Mr. OLIVER. I like to be interrupted.

Mr. KENYON. All right. On page 16 of the contract of the Aluminum Co. of America with the Swiss company this is set out—

Accordingly the A. J. A. G. will not knowingly sell aluminum directly or indirectly to the United States of America and the Northern Aluminum Co. will not knowingly sell directly or indirectly to the Swiss, German, and Austria-Hungarian Governments.

Is not "the United States of America," in connection with the entire language of that clause, clear?

Mr. OLIVER. The United States Government was never thought of when the agreement was made.

Mr. KENYON. How does the Senator know the United States Government was never thought of?

Mr. OLIVER. Because the agreement shows it, and the result shows it.

Mr. KENYON. The language shows what it is, and not what the Senator may know.

Mr. OLIVER. I am going to undertake a hard task. I am going to undertake to persuade the Senator from Iowa that it never was thought of.

Mr. KENYON. I am willing to be persuaded, if the Senator has that intimate knowledge which differs from the plain language of the contract.

Mr. SHIVELY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Indiana?

Mr. OLIVER. I yield to the Senator.

Mr. SHIVELY. The language of the contract does not mention the United States Government.

Mr. OLIVER. I understand that.

Mr. SHIVELY. It does mention the United States of America. Now, that is different; and is it not even broader, agreeing that they would not only not sell to the United States Government, but they would not sell to the people of the United States?

Mr. OLIVER. Mr. President, I agree with everything the Senator says, and I am going to allude to it. There is in the agreement a clause by which the Swiss company agrees not to sell to the United States of America, and that means the whole United States, and that includes the United States Government. But I think now, if the Senator will listen to me, he will be convinced—and I think even the Senator from Iowa will be convinced—that under these regulations of the Swiss, Austrian, and German Governments there was an element, as far as it related to the Swiss company, that showed that the sales to the Government of the United States were not considered at all when it came to the Aluminum Co. of America.

I will ask the Senator from Indiana to listen to what I have to say within the next five minutes, and I will be very glad then to have him ask me any question he pleases.

I must say that if this contract had been entered into between any two companies which monopolized or controlled, or sought to monopolize or control, the aluminum business, it would be in the highest degree reprehensible, and under our laws would be criminal; but when you come to consider that the agreement is between only 2 out of 14 companies, or, eliminating the Aluminum Co. of America, 2 out of 13 companies, all engaged in the same lines of business and all competing with each other, it must immediately appear that there was some reason for its existence other than that of controlling sales, prices, or territory. The whole thing is easily explained.

The Northern Aluminum Co., manufacturing aluminum in Canada, was entering the foreign field and had established selling agencies in Great Britain and South America. The Swiss company, which was the largest European producer of aluminum, but whose output amounted to only about 20 per cent of the total European product, had its agencies established in Continental Europe. These two companies, therefore, as a measure of business economy, to save selling expenses, agreed between themselves that their selling agencies would mutually represent each other in their respective territories and that the products so sold would be divided according to the percentages stipulated in the agreement. The Swiss company, however, insisted that as it would naturally have the preference in selling to the Swiss, German, and Austro-Hungarian Governments, there should be no allotment to the Northern Co. so far as sales to those Governments were concerned; that is, that the sales which the Swiss company made to those Governments should not be included in the percentages of the sales named in the contract. Then follows the stipulation that sales in the United States were reserved to the Aluminum Co. of America, which was the parent company of the Northern company making the contract. This refers to all sales in the United States, and sales to the Government were not mentioned, and as I think I can conclusively prove were not considered, in making the agreement. I do not by any means defend this stipulation with regard to sales in the United States, and I believe that if the Aluminum Co.—I am referring to all the sales in the United States—has done anything that is a violation of the Sherman Act it is in this instance; but in making the agreement it was not guilty of the "business treason" with which the Senator charged it, for there were 11 other companies then and now in existence who were not only potential but actual competitors for the Government business, and for all business in the United States of America then and since, as I shall now show.

Mr. SHIVELY. Mr. President, right there, do I understand that the Senator contends that at the time this agreement was made and for some time subsequent thereto there were 11 other companies in competition with the Northern Aluminum Co.?

Mr. OLIVER. There were 11 other companies in competition, through their agencies in the United States, with the Aluminum Co. of America. They not only competed, but they did business in the United States; they competed for Government business. They not only competed for it, but they got it. They not only got it, but they got all of it during the whole three years that this agreement was in force. The Aluminum Co. of America during the whole three years never sold a pound to the United States Government, but what the Government bought was imported aluminum. I have the record here for that.

Mr. SHIVELY. If the Senator please, all of these companies, however, at that time were in these written agreements with the Northern Aluminum Co.

Mr. OLIVER. Not at all. This agreement of the Northern Aluminum Co. was only with the Swiss company.

Mr. SHIVELY. Let me call the Senator's attention to what Mr. Davis said. I think the Senator must have overlooked that. His testimony is found on page 1502 of the hearings.

Mr. OLIVER. I know, and I have explained that. That is an agreement of the Northern Aluminum Co. with the other companies, and I think the Senator will find that it is dated long after this agreement; it is an entirely distinct and different thing; it is an agreement between the Northern Aluminum Co., the Canadian Company—it is a syndicate agreement, a cartel—and the various European companies, and includes all of them, by which they divided up, in accordance with the European custom, all of the aluminum business of the world outside of the United States of America; but the business in the United States of America is open to competition with every one of them, and not only open to competition, but last year they sold 70 per cent as much in this country as did the Aluminum Co. of America.

Mr. SHIVELY. The Aluminum Co. is itself a frequent importer.

Mr. OLIVER. The Aluminum Co. is an importer of raw ingot aluminum, of which it takes, I suppose, the surplus product of its Canadian plants, and pays the duty on it. If it has occasion to export any manufactured material, it receives a drawback, but so far as American business is concerned, there are 14 companies in the world competing for it to-day. There is only one manufacturer of this article up to date in the United States of America, but there soon will be two. So far, however, as sales and business are concerned, the business is as free and open as the air we breathe. I have anticipated a little what I intended to say, but I will now go on. I should like the Senator from Indiana to listen, and also for the Senator from Iowa to listen.

This Swiss agreement took effect on October 1, 1908. It was terminated by notice—I want the Senator from Iowa to hear what I have to say.

Mr. KENYON. I am listening.

Mr. OLIVER. I beg pardon; I did not see the Senator.

Mr. KENYON. I would not miss a word for anything.

Mr. OLIVER. It was the Senator from Indiana [Mr. SHIVELY] to whom I was more particularly referring. I want the Senator from Indiana to listen to this, because I think he is a fair man, and I think I can convince him. I repeat that this Swiss agreement took effect on October 1, 1908. It was terminated by notice in August, 1911, which, by the way, was considerably more than a year before the Government suit was brought.

The Senator from Iowa, in order to show how necessary aluminum is to the Navy, submitted a list of purchases of the Navy Department during the years 1910, 1911, and 1912. I am now able to add the year 1909 to his list, and to give a list of all the purchases by that department during the three years or less in which this Swiss agreement was in force.

I will not go over all the figures, but I ask that the table be published in the RECORD.

The PRESIDING OFFICER. There being no objection, that order will be made.

The table referred to is as follows:

Schedule.	Date.	Quantity.	Unit price.	Contractor.
963.....	Mar. 9, 1909	200 pounds....	\$0.55	Baer Bros.
1361.....	June 29, 1909	2,000 pounds..	.21	The Nassau Smelting & Refining Works.
1380.....	July 6, 1909	1,000 pounds..	.185	Do.
1405.....	July 13, 1909	1,000 pounds..	.217	Do.
1493.....	Aug. 10, 1909	4,000 pounds..	.224	Illinois Smelting & Refining Works.
1635.....	Sept. 14, 1909	3,000 pounds..	.2249	Columbia Smelting & Refining Works.
1663.....	Sept. 21, 1909	1,000 pounds..	.2125	Nassau Smelting & Refining Works.
1736.....	Oct. 12, 1909	64 sheets.....	10.00	J. H. Jolly.
1741.....	.....do.....	1,000 pounds..	.22125	The Nassau Smelting & Refining Works.
2036.....	Jan. 4, 1910	800 pounds....	.215	Great Western Smelting & Refining Co.
2133.....	Jan. 25, 1910	1,500 pounds..	.2175	Nassau Smelting & Refining Works.
2718.....	Aug. 2, 1910	2,000 pounds..	.2299	Berry & Aikens.
2759.....	Aug. 9, 1910	3,000 pounds..	.219	Nassau Smelting & Refining Works.
3021.....	Nov. 8, 1910	3,000 pounds..	.2175	General Metals Selling Co.
3583.....	May 31, 1911	5,000 pounds..	.2015	Pope Metals Co.

Mr. OLIVER. This table shows that beginning with March 9, 1909, and ending May 31, 1911—and this includes everything that was purchased by the Navy Department from the 1st of October, 1908, until the date in August, 1911, when the Swiss agreement was terminated by notice—there were 15 purchases of aluminum made by the Navy Department. The total amount of all these was 28,500 pounds. The total value was less than \$7,000.

Mr. SHIVELY. Can the Senator state the average price per pound the Government paid?

Mr. OLIVER. I will state that the unit price is given opposite every one, and it runs from 18½ cents a pound up to about 23 cents a pound—there is one small shipment of 200 pounds made at 55 cents a pound, probably some highly finished article made of aluminum.

Mr. SHIVELY. If I may interrupt, does the Senator know whether that 18½ cents a pound was the price of the ingot aluminum?

Mr. OLIVER. It must have been, because plates and the more highly finished articles would undoubtedly sell higher than that.

Is it likely that two companies of the magnitude of these two companies, whose gross contracts would amount probably to \$20,000,000 a year, would go to the trouble of crossing the ocean to enter into an agreement to cheat the United States Government, whose purchases in three years only amounted to \$7,000? As a simple proposition what is the likelihood of this occurring? But I will go further than that. I will read the names of those who furnished this material. The firm of Baer Bros., filled one out of the 15 contracts.

Mr. GALLINGER. Where are they located?

Mr. OLIVER. They are New York importers. The Nassau Smelting & Refining Works filled seven of them; the Illinois Smelting & Refining Works filled one; the Columbia Smelting & Refining Works filled one; J. H. Jolly filled one; the Great Western Smelting & Refining Co., one; Berry & Aikens, one; the General Metals Selling Co., one; and the Pope Metals Co., one.

There is not one of these concerns in which the Aluminum Co. has any interest whatever; there is not one of them that is a customer of the Aluminum Co., except occasionally, when they can not get aluminum elsewhere. They are all importers. I have information—I want the Senator from Iowa to hear this—that the Nassau Smelting & Refining Works, which filled seven of these orders, obtained the material supplied to the United States Government directly from a bonded warehouse. I acquit the Senator from Iowa of intentional deceit in this matter, but surely a critical examination ought to show him or any reasonable man that the controlling intention of a contract between only 2 out of 13 competitors could not possibly be the control or monopoly of the business, and his charge of any intention to control Government orders or to shut out competition for such orders must be dismissed as childish when we consider that during the whole life of the agreement the supposed beneficiary neither directly nor indirectly sold one pound to the Government of the United States—to the Navy Department, at all events. I have not been able to obtain the records from the War Department, but the sales to that department are negligible; they use very little. This effectually disposes of the charge of "business treason."

Now let us see, Mr. President, who will be the principal beneficiaries from the removal of this duty; or, rather, who are those who ask for it, for I hold that it will benefit nobody but the foreign manufacturer and the importing middleman. In the first place the use of aluminum is largely confined to those who are able to pay for it. It is from its nature an industrial luxury. Except where it is used as an alloy in the manufacture of steel, it goes chiefly into fine houses, intricate and high-priced machinery, and fine automobiles. As a general proposition I would say that a reduction of 1 or 2 or 3 cents a pound in the price of the aluminum ingot would bring about no change whatever in the prices charged for a vast majority of articles into which it enters.

Among the answers to interrogatories propounded to manufacturers by the Committee on Finance, I find on page 52 a communication from the Ford Motor Co., of Detroit, Mich. Interrogatory number 2 reads as follows:

What are the raw materials used in the production of the commodity you produce? State exact nature of material used.

The Ford Motor Co. answers as follows:

In such manufacture, among other raw materials, we use large quantities of aluminum, purchasing same in ingots.

Further on they say:

We use approximately 11 pounds of aluminum per automobile.

You will note that this company ignores entirely all such trivial matters as engines, steel, electrical apparatus, tires,

glass, leather, springs, commutators, magnetos, and what not—in fact, all of the almost innumerable items of raw material entering into the manufacture of automobiles—and mentions only the 11 pounds of aluminum used in each car. The same company also filed with the Finance Committee a brief upon the subject of aluminum. It is found upon page 453 of the briefs and statements filed with the Finance Committee. In this brief the Ford Co. states that—

It was obliged since October 1 to import upward of 2,000,000 pounds of aluminum owing to the inability of the Aluminum Co. of America to supply its wants, and that it paid therefor \$0.2685 per pound f. o. b. Detroit.

I will here call attention to the fact that while the Aluminum Co. was unable to supply the wants of all of its customers during the latter part of 1912, it never advanced the price beyond 22 cents per pound during that period, which would be substantially 5 cents per pound less than the Ford Co. says it paid for imported aluminum. This, it seems to me, is a complete answer to the charge made by the Senator from Iowa that the Aluminum Co. held its price at a figure substantially 7 cents per pound, or the full amount of the duty, above the price of imported metal.

Let me say a few words about this Ford Motor Co. One of the chief counts in the indictment of the Senator from Iowa against the Aluminum Co. is that "this monopoly has made enormous profits." I quote his very words. Now, whatever profits were made by the Aluminum Co., the greater part of its accumulations arose during a period when it was absolutely protected by the patent laws of the United States. This can not be said of the manufacturers of automobiles, with whom patents, as a rule, have been mere incidents.

I have made some inquiry about the Ford Motor Co. and have received some little information concerning it. I find that the company was organized on June 17, 1903, just about 10 years ago, with an authorized capital stock of \$150,000, of which, however, only \$100,000 was paid in. I have since been informed that of this \$100,000 there was only \$60,000 paid in in cash, but that the other \$40,000 was issued for patents. I am not quite certain about this, however, and will give them the benefit of the doubt, and say they started out with a cash capital of \$100,000. This was all the cash that was ever paid in on their capital stock. All subsequent additions and all the dividends were from profits. Five years afterwards, on October 22, 1908, the capital stock was increased to \$2,000,000, and in November, 1908, the treasurer of the Ford Co. made the statement that the increase from \$150,000 to \$2,000,000 was all paid in by stock dividend from accumulated surplus—\$1,850,000 accumulation in five years, and that is only the beginning.

Their statements for the last four years show the following net surplus over and above all liabilities:

Aug. 1, 1909	\$3, 208, 000. 00
Sept. 30, 1910	5, 581, 772. 02
Sept. 30, 1911	10, 375, 145. 28
Sept. 30, 1912	16, 745, 095. 57

Mr. LODGE. Is that the annual profit?

Mr. OLIVER. Oh, no; the accumulation.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. OLIVER. I do.

Mr. SMOOT. Does the Senator know whether the report is true that the company, while making these profits, also pay Mr. Ford \$100,000 per month as salary?

Mr. OLIVER. I will state that I have heard that, but I do not know whether it is true. I am coming to that.

The earnings deducible from the above figures are as follows:

For the year ending—	
Sept. 30, 1910	\$2, 375, 772. 02
Sept. 30, 1911	4, 793, 373. 26
Sept. 30, 1912	6, 369, 950. 29

In addition to this, during all this period the company was declaring large dividends. I have no direct information about the amount of these dividends, except as to the last one, to which I will allude, but they undoubtedly amounted to many millions of dollars, so that the earnings I have above stated are in addition to whatever amount the company has seen fit to divide among its stockholders in the meantime. It will be seen from this that the earnings for the year ending September 30, 1912, were over 6,000 per cent on the capital invested nine years preceding, while the undivided surplus amounted to nearly 17,000 per cent on the original capital, and the total investments in the business amounted to 20,000 per cent of the original capital.

About one month ago the company paid a cash dividend of 500 per cent on its capital of \$2,000,000. The dividend amounted to \$10,000,000 in cash paid out in one lump. Computed on the

actual cash capital of \$100,000, which was originally paid in, this one dividend would amount to 10,000 per cent.

I am told that this company pays Mr. Henry Ford, its president, a salary of \$100,000 a month—not \$100,000 a year, \$100,000 a month; but I learn this only from hearsay, and will not vouch for the truth of the statement.

According to my information, the Ford Co. last year produced 75,000 automobiles. I understand that this year they expect to turn out something like 250,000; and this is borne out by their statement to the Finance Committee, in which they say that they use annually about 2,500,000 pounds of aluminum, which, allowing 11 pounds for each car, would furnish 227,272 cars. If 75,000 cars enable them to scatter dividends of \$10,000,000 every once in a while, what will 227,000 cars do for them? Figure it out by the rule of three. It actually makes one dizzy to deal with such figures. Alongside of them the accumulations of the Aluminum Co. look like the traditional "30 cents."

Now, I am not begrudging these earnings to the Ford Co. I understand that Mr. Ford, the head of the company, was practically the first man to conceive the idea that the automobile was destined to become an article of general use and not simply a pleasure vehicle for the rich; that he is a great engineer; and that he bent his mind toward the devising of a car which could be built at as low a cost as possible, consistent with good workmanship. As I understand, he has come nearer to solving this problem than any man living, and he has met with the success he so richly deserves. He is getting only what is coming to him. But I do say that he and his company are by no means objects of sympathy, and that it little becomes them, and others like them, to complain of this duty, the removal of which would only tend to swell their already overgrown budget of enormous profits.

Mr. LODGE. During the period when this victim of the Aluminum Co. of America was making these enormous profits it itself was receiving a protection, I believe, of 45 per cent.

Mr. OLIVER. Forty-five per cent; yes. That does not count, though, in these days.

Mr. BRISTOW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Kansas?

Mr. OLIVER. Certainly.

Mr. BRISTOW. Did not a representative of the company say, however, that it did not need any protective tariff at all for its business; that it could sell abroad in competition with any other manufacturers?

Mr. OLIVER. I have heard that statement, but I do not think it appears in either of the briefs which were filed.

Mr. BRISTOW. It may not appear in the briefs, but that statement has been printed time and again.

Mr. OLIVER. I should not think it needed any.

Mr. LODGE. They have not suggested the removal of any duties except other people's duties.

Mr. BRISTOW. Oh, no; I think the Senator is mistaken about that.

Mr. LODGE. Not in anything that appears here.

Mr. BRISTOW. The Ford Co. has maintained that it does not need any protective duty. As a matter of fact, there are more Ford automobiles in Europe than any European build to-day.

Mr. OLIVER. It needs the removal of duties only on what it buys, I suppose.

The Ford Co. in its communication to the Finance Committee states that it uses approximately 11 pounds of aluminum on each automobile. Taking this at an average rate of 18 cents per pound it would mean that they spend for aluminum a little less than \$2 on each automobile. Assuming for the moment that they are compelled by reason of the tariff to pay an additional price equal to the whole duty—7 cents per pound—the cost to this company under the present law would be 77 cents for each automobile, and under the proposed duty of 2 cents per pound it would amount to only 22 cents per automobile, and still they come in here and complain. I really think, Mr. President, that, so far as this one company is concerned, in justice to this downtrodden industry, grunting and sweating as it does under the burden of this aluminum monopoly, perhaps this duty ought to be removed. Let them have their 22 cents—they need the money.

I have already said enough, perhaps too much, about the Aluminum Co. of America. I will now, in as few words as possible, discuss the abstract merits of the paragraph before us and the amendment proposed by the Senator from Iowa.

The duty on aluminum—that is, aluminum ingots—under the present law is 7 cents per pound. It is proposed by the Finance Committee to reduce this to 2 cents per pound, and this proposition has received the sanction of the Senate. The amendment of the Senator from Iowa proposes to abolish the duty alto-

gether, not only upon the aluminum ingot but upon all articles made therefrom. Now, I would like Senators for the time being to dismiss from their minds all thought of the Aluminum Co. of America and to assume that this is a competitive business, as it really is so far as the sale of the product is concerned, and undoubtedly will be in a year from now with regard to its manufacture, for by that time the Southern Aluminum Co. will be about ready to operate its plant.

First let us take the question of revenue:

The Government during the fiscal year ending June 30, 1912, derived a revenue from imports of this product amounting to \$1,122,252.87, and during the fiscal year of 1913 the amount was \$2,190,555.03. At the proposed duty of 2 cents per pound on ingots and 3½ cents per pound on plates—even assuming that the imports would not increase under the reduced duties—the revenue to be surrendered by placing it upon the free list would be \$638,393.24. It would be no less than a crime to surrender this revenue unless there was a crying reason therefor.

Now, let us look at the question from the standpoint of even competitive protection. Aluminum is really a unique product in that it is commonly accepted to be a raw material in the same sense as zinc or copper, but in reality it is a highly finished product and should be classed with an automobile or a piece of furniture so far as its cost and real value are concerned as compared with the cost and value of the raw materials from which it is evolved. The cost of producing aluminum is practically altogether labor. Different from most other highly finished products, aluminum is produced from cheap and common raw materials—bauxite, coal, salt, and petroleum coke. It requires about six tons of bauxite, six tons of coal, one-quarter ton of salt, and one ton of petroleum coke to make one ton of aluminum. These quantities of bauxite, coal, and salt in the ground and the petroleum coke at the refinery are not worth at the outside \$15, and yet they produce a ton of aluminum which is worth (at 18 cents a pound) \$360, and all of this value, with the exception of a comparatively small amount of supplies, is added to these raw materials in the form of labor.

Bauxite, the native ore, is first made into alumina. The labor in producing aluminum naturally divides itself into that required in making alumina, that required in making carbon electrodes, and the direct labor required in the process of smelting aluminum from alumina. The bauxite, the coal, and the salt—the salt being first made into soda ash—are put together in a complicated chemical process to produce alumina.

The Aluminum Co. of America manufactures a part of its own alumina, but it also purchases a very large quantity from outside manufacturers at a cost of 3 cents per pound. It takes 2 pounds of alumina to make 1 pound of aluminum, so that with alumina at 3 cents per pound the cost per pound of aluminum for alumina only is 6 cents.

With the exception of minor supplies, the entire cost of alumina is in labor, either in making the salt into soda ash or getting the coal out of the ground and under the boiler or in the direct labor required in the process. At the East St. Louis plant of the Aluminum Co. of America they employ 1,000 men and pay from \$1.75 to \$2.25 per day, with the skilled artisans at much higher wages. The relative wages paid for such kinds of labor in France are too well known to require comment—in addition to which the greater number of the men employed at the East St. Louis plant work only 8 hours a day, while in France all of this work is done on 12-hour shifts.

It takes about three-fourths of a pound of carbon electrodes to make 1 pound of aluminum. Carbon electrodes are made from petroleum coke by grinding and baking, and are worth on the market about 3 cents per pound—2½ cents would be a very close market price. Petroleum coke at the ovens is worth about one-fourth of 1 cent per pound, and the difference between this price and a finished price of 2½ cents per pound is nearly all direct or indirect labor. At 2½ cents per pound the carbon electrode cost per pound of aluminum would be 1½ cents.

The other principal item besides direct labor in the manufacture of aluminum is electric power. Here the French manufacturer has a decided advantage because of the high falls which are available on the west slope of the Alps and the north slope of the Pyrennees—and the bauxite lies between these two ranges on the Mediterranean shore, as do also coal deposits. The French water powers not infrequently have a drop of 2,000 feet, while the water powers of the United States run from 30 to 150 feet on the average. The cost of a water power is almost altogether labor. The digging of canals and flumes and building of dams, and so forth, all involve a very large amount of labor, which is reflected in the cost of a horsepower.

The French thus have the advantage of not having so much dirt to move or so wide dams to build on account of handling so much less water, as they get the power from a high drop, which

otherwise must be made up in volume of water; and, secondly, they get the advantage of cheap labor in digging their canals, building their dams, and so forth, as compared with our labor. The ordinary hydroelectric development in the United States is considered cheap at \$100 per horsepower. An average cost would be nearer \$120 per horsepower. Foreign aluminum manufacturers would not even consider a power which would cost more than \$70 per horsepower, and the cost of \$50 per horsepower is not at all uncommon.

One horsepower will produce about 450 pounds of aluminum a year. A fair price for electric power in this country is \$18 per horsepower per annum, and a close price is \$15. At \$15 per horsepower per annum the cost of electric power per pound of aluminum is 3½ cents.

When it comes to direct labor in the smelting process, the French manufacturer has a very decided advantage because in this process dexterity does not cut much figure. No amount of dexterity or skill can increase the quantity of metal electrolytically deposited. It is hot, hard work, and the American plants run three shifts and pay an average of \$2 per caput, or \$6 per day, while the French pay 80 cents per caput for two shifts, or \$1.60 per day. I have no hesitancy in saying that on direct labor in the smelting process alone the French have an easy advantage of at least 1 cent per pound.

The French also have a natural advantage of contiguity of bauxite and water power, so that the transportation item is practically altogether eliminated in their costs. To make 1 ton of aluminum the Aluminum Co. of America is compelled to transport 6 tons of bauxite from Arkansas to East St. Louis, a distance of over 500 miles, at the rate of \$2 per ton, and then to transport 2 tons of alumina from East St. Louis either to Niagara Falls or Massena—an average distance of about 1,000 miles. The rate to Niagara Falls is 12½ cents, and the rate to Massena is 17½ cents per hundred, so that the average is 15 cents per hundred, or \$3 per ton, making a total freight charge of \$18 per ton of aluminum, or nine-tenths of a cent per pound, to get the bauxite to the water power. It will thus be seen that out of a protection of 2 cents per pound one-half of it is exhausted at once in overcoming this natural French advantage in the matter of transportation alone, and the entire duty of 2 cents per pound is absorbed in the two items of transportation and labor in smelting before the aluminum reaches the refinery.

I have compared the United States with France, because the principal exports of aluminum to the United States come from France. About one-half of the aluminum made in Europe is made in that country, and the home consumption of France is only about one-third of the capacity of its aluminum plants. But other countries besides France are practically as well located. Large and cheap water powers are available on the coast of Norway, and good water powers are to be had in Italy and Switzerland; and inasmuch as the French bauxite is on the seacoast, transportation of bauxite to Norway and Italy is a trivial proposition.

In addition to this, French bauxite is obtained from an enormous mountain of that material carrying a percentage from 63 to 65 per cent of bauxite, while the American deposits are contained in pockets, rendering the mining very much more expensive, and when obtained the percentage of bauxite runs only about 53 or 54 per cent. This difference in the quality of the ore, or rather in the quantity of bauxite per ton of ore, assumes great significance when you consider that it requires just as much heat and just as much labor to smelt a ton of the inferior material as is necessary in the reduction of the richer ores of France.

Taking into consideration all the advantages enjoyed by the French manufacturer—smaller investment, superiority of bauxite, saving in transportation charges, cheaper and better water power, and cheaper labor—I am convinced that he can produce aluminum ingots at a cost at least 4 cents a pound less than the most favored American plant. To lay any lower duty on the article will be an injustice not only to the American manufacturer but to the 7,000 workmen who depend on this industry for their bread, and it will be an absolute embargo against any future competition on this side of the ocean. To place it on the free list would be a crime against the revenues of the United States.

Mr. KENYON. Mr. President, I do not wish to take much of the time of the Senate, but I do wish to reply to one or two of the things said by the distinguished Senator from Pennsylvania [Mr. OLIVER], who certainly has illuminated this subject very much.

The Senator complains that I presented the case against the Aluminum Co. of America as a prosecutor, or with the zeal of a prosecutor. Possibly that is one of my faults, Mr. President—that I am overzealous in a cause in which I believe.

But if I presented it with the zeal of a prosecutor, he certainly has presented the other side of it with the zeal of a counsel for the defense.

I did not intend to say any unfair things about the Aluminum Co. of America. I had to go to the record for my facts. There may be some mistakes in some of those purported facts. I had nowhere else to go. I did not enjoy a confidential relationship with the officers of the Aluminum Co. of America. I was not on any boards of directors with them. I could get my information nowhere else. Even after all his speech, and the array of figures he has so splendidly arranged, I still reiterate what I said before, that the facts and quotations in my speech are substantially correct.

Mr. President, it is unfortunate for the Aluminum Co. of America that they could not be represented in court by the distinguished Senator from Pennsylvania as they have been represented here and before a committee of the Senate and a committee of the House; because although they agreed there, and it was found in the decree that they were a substantial monopoly, the distinguished Senator from Pennsylvania has showed that that is not true, evidencing a far better knowledge of the affairs of the Aluminum Co. of America than the aluminum company itself and its attorneys.

Mr. OLIVER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. KENYON. I do.

Mr. OLIVER. I rather think the Senator will concede that I have proved that they are not a monopoly, as far as the sale of this product is concerned.

Mr. KENYON. No; I will not concede it at all. But I do say that if the Senator had appeared in court, representing these people, as he appears here and makes this argument, he might have secured a different kind of decree. It is amazing to me that high-priced lawyers, able in their particular line, should ever consent to this decree if they had all the knowledge the Senator from Pennsylvania seems to have about it.

He says this is a weak bill in equity; that the Government did not have the facts; that the Government had no case; that the contracts terminated before the suit was brought. Mr. President, it is amazing that if the Government had no case, and if the allegations of their petition were not true, the counsel for this company conceded, according to the recital of the court in the decree, that they were a monopoly. I could not go any further than that. I thought that was sufficient. Yet the distinguished Senator criticizes me for saying that the Aluminum Co. of America had this monopoly.

Mr. OLIVER. Mr. President, if the Senator will allow me, I do not think that anywhere in my speech I criticized the Senator for saying that. I can not recollect it; and if I did, I withdraw it, because I acknowledge myself that it is a monopoly.

Mr. KENYON. The Senator criticized me for so many things that possibly I was wrong about that. Inasmuch as the Senator acknowledges that the Aluminum Co. of America is a monopoly, there is no use in referring to the decree.

Mr. President, I introduced this amendment in the best of faith, because I believed in the principle it represents. I did not know anything in particular about the affairs of the Aluminum Co. of America. It was not to strike at them at all, but it was as an illustration of the principle for which I have contended—that where goods are the subject of a monopoly or trust control the tariff ought to be taken off.

The Democratic Party has favored that doctrine. The distinguished Senator from Indiana [Mr. KERN], who honors his State and the Senate by his presence, was a candidate for Vice President upon a platform declaring for exactly that proposition. Fifteen or sixteen years ago in my State that was placed in our Republican platform.

That is what I had in mind. I did not mean to strike at the friends or the pets of the Senator from Pennsylvania at all. It was simply a fair illustration of the proposition—

Mr. OLIVER. Mr. President, I think I ought to protest against such language.

Mr. KENYON. I will withdraw anything that the Senator protests against.

Mr. OLIVER. I think it would be well for the Senator to do so.

Mr. KENYON. I sat here and listened to the Senator's criticisms and arraignments of me for putting in letters and deceiving the Senate, and I did not raise any particular objection; but I withdraw the statement if he desires.

Mr. OLIVER. I accused the Senator of nothing that he did not do; and I do not think it is in order for a Senator to come in here, when another Senator stands on the floor defending his constituents, to talk about their being his "pets," and using language of that sort.

Mr. KENYON. I think probably that language should not be used, and I will withdraw it. But the Senator went before a committee of Congress and presented the cause of these people when they were seeking to get power sites on the St. Lawrence River.

Mr. OLIVER. Mr. President, I went before the Commerce Committee of the United States Senate, of which I was a member, to introduce the representatives of this company. I have no recollection of ever having gone before a committee of the House, although just now I will not say that I did not do so; but I rather think I never went before any committee except the Committee on Commerce. However, I had a perfect right to do both, and I will do it again if occasion arises.

Mr. KENYON. I do not doubt the Senator will.

Mr. President, there was not any particular reason that I could see for the Senator from Pennsylvania to become so excited over this proposition. Something was said here the other day by the distinguished Senator from Kansas [Mr. Bristow] that had better be borne in mind by the Senate. He said that out upon the stump we talk about doing something against the trusts and combinations, and then when we come here we seem to forget it. We do talk in that way as candidates for Congress and for the Senate; and then when we get here, somehow or other it seems impossible to get anything done with relation to the trusts.

I know that possibly I am subject to criticism for being overzealous on this question; but we raise constitutional objections, we think of something else that is better to be done, and so on. The distinguished Senator from Nebraska [Mr. Hitchcock] a few days ago had a proposition that commanded large support on this side, but received no support on the other side except his own vote. I have reached a point in my mental calculations—and I may be all wrong—where it is a conviction with me that the trust problem is more important than anything else; and if it can be hit in any reasonable way I am willing to try it and to follow it out.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER (Mr. PITTMAN in the chair). Does the Senator from Iowa yield to the Senator from New Hampshire?

Mr. KENYON. With pleasure.

Mr. GALLINGER. There is one phase of the trust problem that has troubled me all along. I have no sympathy with trusts and combinations; but is it not rather remarkable that we should be legislating in an extreme way against an American trust while we are permitting the importation of goods into our country from foreign trusts?

Mr. KENYON. Of course we can not stop a foreign trust. A number of foreign countries view the trust question very differently from the way in which we view it. They encourage trusts and believe in trusts.

Mr. GALLINGER. To make it more specific, suppose there is an aluminum trust in England—I do not know whether there is one or not. We legislate against a similar combination in this country, but the product of the British trust is poured into our market without any import duty being placed upon it. Is that quite fair?

Mr. KENYON. If that argument is good, I suppose we can not do anything with trusts in this country.

Mr. GALLINGER. I am not so sure about that.

Mr. BRANDEGEE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. KENYON. I do; but I do not want to start this whole trust question. We have argued it here for a number of days. I simply want to close with one observation. I yield to the Senator from Connecticut, however.

Mr. BRANDEGEE. I do not want to start the trust question either, but the Senator is discussing it, and this occurred to me: The Senator is proposing a remedy, as I understand, to be applied where a product in this country is controlled by a trust. If it is controlled by a trust, and if that trust is competing with a foreign trust, what good does it do to take off the duty on the product?

Mr. KENYON. That question was asked here the other day. It is a very pertinent question.

Mr. BRANDEGEE. I did not hear the answer. What benefit is it to the consumer, or how does it operate to help anybody, to take the duty off a product in which the foreign trust is competing with the domestic trust?

Mr. KENYON. Here is a situation, in this very instance, where fabricators of aluminum wares are compelled to go to the Aluminum Co. of America to get their aluminum. That company controls it. If the fabricators can not get it from the Aluminum Co. of America—and they have subsidiary companies, and may not be willing to sell to them—they have to go

abroad and buy it. Then they have to pay the manufacturer's price abroad and whatever additional the tariff may be. In that particular instance it would be a help. In many instances it would be no help at all.

Mr. BRANDEGEE. Shall we leave our people absolutely in the hands of the foreign trust and then let them raise the price to wherever they please?

Mr. KENYON. Oh, we do not do that.

Mr. BRANDEGEE. I am not saying that we do. I say that where a product—

Mr. KENYON. The Senator is putting a good many "ifs" in it.

Mr. BRANDEGEE. I am putting only one "if" in it. I am saying that if a product is controlled by a trust in this country which is competing with a trust which controls the product in a foreign country, what remedy would it be to us to put the article upon the free list so that we can freely import it from the foreign trust?

Mr. KENYON. I have said before, in answer to that question—which, of course, the Senator assumes is a very conclusive question—that there is a moral side to this question. I have said that where men have built up monopolies behind tariff duties in this country—and I do not suppose the Senator will agree with me that tariff duties are conducive in any way to monopoly—they ought not to be permitted to enjoy that protection, whatever it may be, where they have entered into these illegal organizations.

Mr. BRANDEGEE. Whatever the moral question may be, if the foreign trusts are encouraged by their Governments and our trusts are discouraged by this Government and put out of business and the business turned over to the foreign trusts, it seems to me the moral question will rapidly become a practical question in this country as to whether we are going to produce anything in this country, or go humbly to the foreigner and pay whatever price his foreign trust, backed by the Government, wants to exact.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. KENYON. Yes.

Mr. NORRIS. On that question I think the Senator from Connecticut assumes what may or may not be true; that is, that if we put the product on the free list the American trust will necessarily have to go out of business. If that were true, we would perhaps be subject to the foreign trust. If that were not true, they might still remain in business. The usual reason why a trust controlling an article in Europe and a trust controlling the same article here can both make so much money is because of an agreement between them to divide up the world's territory.

Mr. BRANDEGEE. What I am assuming is nothing except that the foreign trust, the foreign company, the foreign producer is able to produce its product cheaper than the domestic producer, because if it is not it will not get into this market.

Mr. KENYON. Why does the home trust want any protective tariff on the product, then?

Mr. BRANDEGEE. I am not saying whether that is so or not. I am simply saying that if a corporation in this country is competing with a corporation in another country, and each one practically controls the product in its respective country, I wonder how effective a remedy it will be to put the one in this country out of business, if it can be put out of business by its foreign competitor, which can produce cheaper.

The Senator says there are several "ifs" there, which both he and I have introduced into this discussion. I agree with him that there are two "ifs" now. I introduced one and he introduced another. But I have simply assumed—and I have not heard it denied by anybody—that the cost of production is lower abroad in the case of most of these competitive products. If it is not, I do not see how the public is to be benefited in the line of a cheaper cost of living by putting these products on the free list.

Mr. KENYON. I am not going into any discussion on that point. I went into it the other day, and I have taken enough time on it. I only want to say that in the Democratic platform in 1912 our Democratic friends said:

Articles entering into competition with trust-controlled products and articles of American manufacture which are sold abroad more cheaply than at home should be put upon the free list.

We denounce the action of President Taft in vetoing the bills to reduce the tariff in the cotton, woolen, metal, and chemical schedules and the farmers' free-list bill, all of which were designed to give immediate relief to the masses from the exactions of the trusts.

The Senator from Pennsylvania has conceded that this is a monopoly; the courts have held that it is a monopoly; and consequently under the Democratic platform it ought to be put on the free list.

Mr. OLIVER. I conceded it was a monopoly, Mr. President, in the sense that when one manufacturer makes everything of a certain article that is made in the country he must necessarily have a monopoly of its manufacture. But I never conceded that it was anything in the nature of what is termed a trust. Its monopoly arose not as intimidated by the Senator under the protection of the tariff. It arose under the protection of the patent laws of the United States. That is what gave it its start and what gave it a large part of its accumulated profits. Since 1909 it has had a monopoly in the manufacture solely because nobody ever started to manufacture in competition with it, but one great reason why nobody ever started to manufacture in competition with it is because it was already having a strong competition with foreign manufacturers.

Mr. KENYON. As it has developed in the article the Senator put in the Record that this aluminum producer has now become very powerful and very strong in two of the Southern States, that may account for the fact that the protective tariff is retained on it at this time.

Mr. WALSH. Mr. President, as the consideration of this matter has led us back to the amendment offered by the distinguished Senator from Iowa a short time ago, I desire to submit some observations in relation to that amendment.

I will take occasion to say that I have the deepest sympathy with the end which the esteemed Senator seeks to accomplish through this amendment. To indicate how fully I enter into the spirit of it, I have myself studiously endeavored to frame an amendment intended to effect exactly the same purpose and along the lines attempted by the Senator. I simply desire to give him the benefit of the reflections that occurred to me in connection with the matter and to refer to some of the obstacles, seemingly insurmountable, which I encountered in an attempt to make a general provision covering these cases.

In the first place, Mr. President, the amendment proposes to put upon the free list every commodity adjudged by a court to be controlled by a combination in violation of the Sherman antitrust act. Section 1 of that act provides that—

Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several States or with foreign nations is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination or conspiracy shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by fine, etc.

As in the act hereto.

Section 2 provides that—

Every person who shall monopolize or attempt to monopolize or combine or conspire with any other person or persons to monopolize any part of the trade or commerce among the several States or with foreign nations shall be deemed guilty of a misdemeanor, etc.

As in the act hereto.

The amendment proposed by the Senator from Iowa provides that—

Whenever it shall be found by a court of competent jurisdiction, either Federal or State, and said finding is unchallenged either by appeal or writ of error, or if challenged and said decision is sustained by the court of last resort, either Federal or State, that any article or commodity upon which a duty is levied under this act is under the control of a monopoly or combination formed or operating in violation of the act of July 2, 1890, or substantially under such control, no further duty shall be levied or collected on such article or commodity, and the same shall therefore be admitted free of duty.

The difficulty about the matter is, Mr. President, that the court makes no such adjudication in any action prosecuted under the provisions of the Sherman Antitrust Act. Whether a monopoly actually exists or not, whether it controls in whole or in part the output of a certain commodity or not is a mere matter of evidence to establish whether the illegal combination condemned by section 1 exists or the monopolization referred to in section 2 has taken place.

To illustrate the point more clearly, I refer to the fact that before I came to the Senate I was engaged in the prosecution of a combination for the violation of this act, and I sought to have it adjudged to be a combination in contravention of the law, though I hoped to establish that it controlled no more than 25 per cent of the commodity in which it dealt. Under the decisions I felt perfectly confident that if the other conditions existed a decree would be awarded.

The fact is, Mr. President, that in no one of the cases in which it has been adjudged that a combination does exist contrary to the provision of the act, at least in none of those which have gone to the Supreme Court, has there been a complete control in the hands of the offending corporation. In the work entitled "Concentration and Control," by President Van Hise, of the University of Wisconsin, published a year or so ago, he speaks of the various combinations and generally of the proportion of the product in which they deal controlled by them.

He starts with the Standard Oil and states, at page 104, that—

The Standard Oil Co., with its various affiliated concerns, handled 84.2 per cent of the crude oil which goes to the refineries in the United States. One refinery, that at Bayonne, N. J., consumed more crude oil than all of the independent plants of the country.

So, even in the case of the Standard Oil Co., it will be observed that other companies, not known at least to be associated with it in any way, handled 15.8 per cent of the entire product. That is a case where the product is practically under the control of this company, and it undoubtedly regulates the price. I speak of it, however, to show that even that company would not be found to be in entire control of the commodity.

Now, take the case of the steel company, which is to-day being prosecuted by the Government as being in existence in violation of this act. At page 119 this author tells us that independent companies control the following percentages:

	Per cent.
Pig iron, spiegel, and ferro	56.6
Steel ingots and castings	45.7
Rails	41.1
Structural shapes	53
Plates and sheets of all kinds	50.3
Black plate produced in tin mills	47.1
Coated tin-mill products	38.9
Black and coated sheets produced in sheet mills	61.1
Wire rods	32.7
Wire nails	44.5
Wrought pipe and tubes	61.8
Seamless tubes	44.7

Yet under this amendment should the Government obtain a decree it will be absolutely necessary to subject every independent competitor of the United States Steel Trust to the competition which would result by putting all the products of that great combination upon the free list.

Take the American Tobacco Co. At page 140 the author tells us:

This group of companies in 1909 controlled 92.7 per cent of the cigarette business of the country, 62 per cent of the plug tobacco, 59.2 per cent of the smoking tobacco, and in 1901, the first year it entered the snuff business, 80.2 per cent of the snuff. Later the American Tobacco Co. entered the cigar business, and by 1903 it had acquired about one-sixth of the cigar output of the United States.

So that while the American Tobacco Co., as recited in the decree of the Supreme Court of the United States, controls very largely this product, still there are independent competing companies. The principle of the amendment, I dare say, should hardly be applied with respect to tobacco. I venture to say that the distinguished Senator from Iowa himself would not seriously ask that all the importations of tobacco be put upon the free list in view of the adjudication of the Supreme Court of the United States in the Tobacco Trust case. I would like much to hear from him as to whether he believes that we ought to admit free of duty all tobacco from Cuba, from the Philippines, and from all foreign countries.

It was suggested in that connection, in the course of the discussion on this subject the other day, that a consumption tax might be placed upon tobacco. But, of course, a consumption tax operates upon the domestic product as well as on the imported product, and is levied upon all. The consumption tax is paid by the importer and by the independent producer as well.

Mr. SIMMONS. Does the Senator mean a consumption tax or a tax on production?

Mr. WALSH. A production tax would operate only on domestic products, and would leave the foreign importation to come in without any tax at all.

Mr. SIMMONS. I merely wanted to know that I understood the Senator correctly.

Mr. WALSH. I understood the Senator from Kansas [Mr. Bristow] to suggest the other day that the difficulty might be met by a consumption tax, tobacco going to the free list under the amendment. Of course, if a consumption tax were put upon the article, the domestic product would be upon the same footing with the imported product, unless you put a heavier tax upon imports than upon the domestic products, and then you would, in effect, have an import duty.

So, without detaining the Senate longer, I could go through the list—

Mr. KENYON rose.

Mr. WALSH. If the Senator will pardon me just a moment—I could go through the list and show you that in all these cases in which a combination has been adjudged to be a violation of the Sherman Antitrust Act a great wrong, as it seems to me, would, by the operation of the amendment, should it be adopted, be done to the independent competitors of the great trusts.

I had something further to say about this, but I would be very glad to answer the Senator.

Mr. KENYON. The Senator asked me a question about tobacco. I am not clear but that the Senator is right about that.

I wish to ask the Senator, Does he repudiate the Democratic platform in that respect?

Mr. WALSH. I was going to reach that in just a moment. I shall be very glad to give the Senator my views about the platform.

I was going on to say that one of these prosecutions was carried on against what was popularly known as the Whisky Trust. That there is a combination of the great distilleries in this country I apprehend no one will deny, and my own individual opinion about it is that it exists in violation of the act of 1890. Let us assume that the Government prosecutes successfully a suit against what is generally known as the Whisky Trust and it is adjudicated that it exists in violation of the act. Automatically, then, all the products of that great combination go upon the free list and whiskies are introduced in this country without any tax whatever. I apprehend very likely the Senator would not like to see that result ensue.

Now, I want to answer directly the question addressed to me by the distinguished Senator from Iowa. I was to no small extent responsible for the incorporation of the plank in the Democratic platform to which he alludes, and therefore I felt it my duty to endeavor honestly and earnestly, as I think the Senator from Iowa has done, to give it expression in the legislation that is now under consideration before this body. I attempted to frame an amendment that would commend itself to my own conscience and my own judgment and along the very lines that the Senator from Iowa is traveling, and I have reached the conclusion, Mr. President, that it is impossible to arrive at a correct solution of this matter by any general declaration in relation to the subject, or any general provision, and that that plank in the platform is to be carried out and can be carried out only by having in mind its principles in framing the free list.

For instance, it was adjudicated in the case of the United States *v.* The Standard Oil Co. (121 U. S., 1) that the Standard Oil Co., largely in control of the production of petroleum in this country, is a combination in violation of the act, and we have put petroleum on the free list.

It was adjudicated in the case of the United States *v.* Swift & Co. (196 U. S., 375)—

Mr. SIMMONS. In connection with what the Senator has said about the Standard Oil Co. I will say that the Standard Oil Co. is also producing asphalt, and we have put asphalt on the free list.

Mr. WALSH. It was adjudicated in United States *v.* Swift & Co. (196 U. S., 375) that the Beef Trust was a combination in violation of this act, and all meats are by this very bill put upon the free list.

It was adjudicated in United States *v.* The Addystone Pipe Co. (175 U. S., 211) that that organization, engaged in the manufacture of cast-iron pipe, was a combination in restraint of trade, and we have put its principal product upon the free list.

In the case of Nelson *v.* The United States (201 U. S., 92) was presented for consideration the operations of the Paper Trust and whether it was a combination in violation of this act, and we have put print paper upon the free list.

So likewise lumber is upon the free list, a combination engaged in the production and sale of lumber being charged with being a combination in violation of the act.

A prosecution is now being carried on by the Government, as my understanding is, against the American Sugar Refining Co., alleging that it is a trust and that it controls in large part the sugar that is sold to the American people. Let me assume that that prosecution is successfully carried on and it is so adjudged by the court. The amendment offered by the Senator from Iowa, I recall, had the earnest support of the esteemed Senator from Kansas [Mr. BRISTOW], who I see sitting near him at the present time. I apprehend if that prosecution is carried on successfully and sugar automatically, under this amendment, goes upon the free list, it would not meet the entire approval of the esteemed Senator from Kansas, who has been earnest and persistent in his efforts to get the duty upon sugar reduced, but still to keep it at a figure which he thinks it ought to bear, about \$1 a hundredweight.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Kansas?

Mr. WALSH. I yield.

Mr. BRISTOW. I wish to say that to put sugar upon the free list is in the interest of the trust concerning which the Senator is now speaking, and I am not going to cast any vote in the interest of that organization, if I know it.

Mr. WALSH. Exactly; and that is the situation which I desire to present to the distinguished Senator from Kansas. He assumes, and I agree with him to a very great extent, that to put sugar on the free list would be to the interest of the

American Sugar Refining Co. as to its refining business. In fact, I apprehend that proposition can not be disputed by anybody; and yet if the amendment offered by the Senator from Iowa means anything, it means that just as soon as a favorable decree is arrived at in that suit automatically that commodity must go to the free list.

So, Mr. President, I submit that the only possible way in which you can carry out the spirit of the amendment offered by the esteemed Senator from Iowa—the plank in the Democratic platform and the plank to which he alludes in the Republican platform of his State adopted many years ago—is to pick out these various commodities that are controlled entirely or largely by the trust, to single them out and throw them into the free list, wherever greater evils will not be the result. I am satisfied that you can not reach the end in the other way.

I have not yet listened to any debate upon this floor in which it has been asserted that any particular commodity found upon the dutiable list is entirely or very largely in the control of a trust except aluminum, the free listing of which is urged by the esteemed Senator from Iowa. That presents a peculiar condition, inasmuch as the product—at least such I understand is the contention of the Senator from Iowa—seems to be controlled abroad as well as here by one and the same trust. To put it on the free list would seem to me to be in the interest of a foreign trust. Thus, although possibly the language of the platform is violated in that instance, there is no violation whatever of the spirit of it by getting whatever revenue will be derived from a duty upon that product.

I am desirous of being helpful to the Senator from Iowa in the solution of this question, and if it is possible to frame a general amendment to this bill which will accomplish the result at which he is striving, overcoming these difficulties to which I have thus briefly alluded, I assure him that he shall have my cooperation in any effort he may make to have it adopted as a part of this act.

Mr. McCUMBER. Mr. President, I waited with considerable interest to see whether the Senator from Montana [Mr. WALSH] would suggest a single instance in which taking the tariff off of a trust-made product would not also take it off of some of the same kind of products produced by those who are independent of a trust, and until he gives us one or two instances of that kind I will assume that it is impossible to apply that particular provision of the Democratic platform. But it seems to me, Mr. President, that where he has attempted to apply it in these so-called trust-produced articles he has applied it without discrimination to those who would be least able to bear it. There may be a meat trust that would justify putting meat upon the free list. However, I think the Senator will find that in the neighborhood of 60 per cent of the meat produced is entirely outside of any trust. Therefore, if he is taking off the tariff on meat because of a meat trust he is affecting 60 per cent of the business that is not interested in any degree in it.

I also find no instance in which there has been a trust in the production of cattle in the United States, and yet I find that we have placed cattle upon the free list. I have looked in vain to find an egg trust, or a poultry trust, or a wheat-producing trust, or a potato trust, and yet these articles that are produced by so many of the people in the United States, amounting to 33,000,000, who are interested in their production, are all placed upon the free list irrespective of the matter of trust and when, as a matter of fact, they are almost the cheapest things produced in the United States.

Mr. SIMMONS. Mr. President, the Democratic Party in the United States Senate and in Congress has not been oblivious to the declaration of the Democratic Party in its national platform that trust-controlled products should be put upon the free list; but we have not thought that that meant that we should pass a general statute in the language of the platform declaring that trust-controlled products should go upon the free list. We have interpreted that declaration to mean that when we come to deal with the tariff, which places articles upon the dutiable list or upon the free list, we should carry out the Democratic declaration as far as possible in favor of putting articles that are controlled by a trust on the free list. The committee of this body having charge of that matter, and I think the committee of the House having charge of that matter, have tried, in framing this tariff bill, to carry out that declaration of the Democratic Party.

Of course, as the Senator from Montana [Mr. WALSH] has said, there are circumstances under which it is practically impossible, without doing the greatest injustice, to put a product which is in part under the control of a monopoly upon the free list. In addition to that, of course, we have to consider the revenues of the Government. But wherever in the framing of this bill we have found that an article was controlled by a trust we have put that article upon the free list unless there

were some compelling reasons growing out of the circumstances of its manufacture and the fact that the Government had to have revenue, which intervened and made that impracticable or unwise.

The Democratic Party in its platform laid out a well-defined program of legislation. It declared in favor of a revision and a reform of the tariff, it declared in favor of a revision and a reform of our currency and financial legislation, and it declared against the continuance of combinations in restraint of trade. The Democratic Party has undertaken to carry out these platform pledges.

We have begun with the tariff. This special session was called for the purpose of carrying out our pledges with reference to the tariff. The tariff bill is before the Senate; we have been engaged in its consideration now for over five weeks; it will soon, I am sure, become the law of the land. When it becomes the law of the land, I think that it will be received as a fair interpretation of the pledges and promises of the Democratic Party with respect to that subject, and will meet the conditions which confront us.

Notwithstanding it involves sacrifices on the part of the individual Members of Congress, making it necessary for us to stay here during the whole summer, and probably during the whole fall and into the winter, we are preparing to carry out our pledge with reference to financial legislation. When we have finished that, Mr. President, the Democratic Party will take up the trust question.

We will enter upon that question and the question of the regulation of transportation rates and deal with the questions in a broad, comprehensive way—and we are now dealing with the question of the tariff, and as we will deal with the question of currency, in a broad, comprehensive way.

We do not wish to inject into the tariff bill now pending before the Senate the trust question or the railroad question. They should be dealt with separately. There is no more reason why we should inject the trust question or the railroad question into this tariff bill than that we should inject the financial question into it. All four of them are great questions. They can only be dealt with effectually as separate measures.

When we reject an amendment to this bill dealing with the trust question, it does not mean we are opposed to the principle of the question. When we reject an amendment dealing with the railroad transportation question, it does not mean that we are opposed to that. When we reject an amendment to this bill dealing with the currency question, it does not mean we oppose that provision; but it means we do not propose to deal with these different questions in this particular bill, and that we desire, as far as possible, to confine this bill to matters pertaining to the tariff.

The Democratic Party will carry out the pledges of its platform, but it will do it in an orderly way. It will not attempt in one bill to cover the whole field of promised reform. It will deal with the questions separately and effectually, and when we are finished the country will be satisfied that we have done the best we can to carry out our pledges to the people with respect to all great questions embraced in our platform declaration.

Mr. President, I presume the matter before the Senate is the amendment of the Senator from Iowa [Mr. KENYON] with reference to aluminum.

Mr. KENYON. Yes; that is it.

Mr. SHIVELY. Mr. President, the subject under immediate consideration is paragraph 145. The question is, What rates, if any, shall be placed on aluminum? The present law fixes 7 cents a pound on ingot aluminum and 11 cents a pound on aluminum in sheets, plates, strips, and rods. The junior Senator from Pennsylvania [Mr. OLIVER] manifestly believes these rates should be maintained. The senior Senator from Iowa [Mr. CUMMINS] has offered a series of amendments to the metal schedule, in which he fixes 6 cents a pound on aluminum in ingots and 9 cents a pound on aluminum in sheets, plates, strips, and rods. The bill as it came from the House fixed a flat ad valorem rate of 25 per cent, which, at present prices, is equal to about 4 cents a pound on ingot and between 6 and 7 cents a pound on the further advanced forms of the metal. The Finance Committee has reported an amendment fixing the rates at 2 cents a pound on ingot and  $3\frac{1}{2}$  cents a pound on sheets, plates, bars, and rods. The rates prescribed by the senior Senator from Iowa are 200 per cent above and the amendment of the junior Senator from Iowa 100 per cent below the rates submitted by the committee.

Now, Mr. President, in all this contest and confusion as to what the rates should be the issue is far less one of fact than of policy. There is no wide disagreement as to the facts. Aluminum has taken its place beside iron and steel as one of the great metals of civilization. It has become an indispensable

in many industries and a highly desirable material in many others. There is no substance in what has been said about overproduction. The use of aluminum is limited only by limitations on its supply. Nothing can prevent the multiplication of its uses save difficulty and uncertainty as to supply. If American industries can be assured of reliability and steadiness of supply, there is practically no limit on the demand.

What are the conditions of supply? To this time there has been, and now is, just one producer of aluminum in the United States. Projects for production of the metal are being carried forward in North Carolina which, it is alleged, will create competition and increase production. Whether the new project means real competition remains to be seen. But down to 1909 the Aluminum Co. of America had complete control of production in this country by virtue of the Hall patent. About the time that the Hall patent was issued a Frenchman named Heroult discovered and applied the same process of separation of the aluminum from the bauxite, or clay, in which it is found, and production of the metal went forward contemporaneously and by the same process in Europe and the United States. It follows that while, by virtue of its patent, the Aluminum Co. of America had exclusive control of production within this country nothing but the tariff or other artificial influences could put that company in exclusive control of the domestic market.

That under the protective rates in the acts of 1897 and 1909 the Aluminum Co. of America attempted to build up and maintain monopolistic control of the market there can be no well-founded doubt.

Mr. OLIVER. Mr. President, if the Senator from Indiana will allow me, I should like the Senator to give some specifications on that charge.

Mr. SHIVELY. I shall furnish the Senator with specifications, though it is not my purpose to dwell at length on the voluminous and incontestable evidence before us. The Aluminum Co. of America went into court. It filed its answer. Then it permitted a decree to be taken against it.

Mr. SMITH of Arizona. The Senator from Indiana says this company went into court. Does he mean that they voluntarily went into court, or that they were carried there by the Government itself by a suit brought against the company?

Mr. SHIVELY. The Government brought its suit in the western district of Pennsylvania, making the Aluminum Co. of America party defendant. In its complaint the Government set out copies of a series of written agreements and charged a series of acts, all in violation of the antitrust act of 1890. The company filed its answer, denying the allegations of the complaint. Then it went into court, and without awaiting the presentation of evidence on the merits, consented to a decree nullifying the agreements and prohibiting the acts of which the Government complained. These agreements and these acts were all in interruption and restraint of the supply of aluminum to the industries in this country dependent in whole or in part on this metal.

The junior Senator from Pennsylvania inquires for evidence in support of the charge of effort on the part of this company at monopolistic control. Not long prior to the expiration of its patent the Aluminum Co. of America organized the Northern Aluminum Co. under Canadian law and established a plant on the Canadian side of the St. Lawrence River. The Aluminum Co. of America then owned and now owns every dollar's worth of stock of the Northern Aluminum Co. For all the purposes of market control the latter was and is a part of the former. The president of the Aluminum Co. of America then went to London and negotiated the agreements between the Northern Aluminum Co. and the European producers of aluminum. This was to resolve the producers of the whole world into a single organization.

Mr. OLIVER. Mr. President—

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Pennsylvania?

Mr. SHIVELY. I do.

Mr. OLIVER. The Senator knows very well that all of those agreements related to business and sales outside of the United States of America. Those agreements were not only submitted and unfolded to the Committee on Ways and Means, but they were submitted to the Department of Justice of the United States. They not only related solely to business outside of the United States, but business in the United States is expressly excepted; and, if the Senator is not aware of the fact, I can inform him that it is to-day and always has been subject to the freest and most open competition, and the record shows that fact. The Northern Aluminum Co., the Canadian company, entered into those agreements because that is the way in which business is transacted in other countries, and the only way.

Mr. SHIVELY. The Senator went over all that ground in his speech this afternoon. The idea that all these pains should be

taken by the Aluminum Co. of America, a corporation organized under the laws of Pennsylvania, to draw all outside producers of aluminum into an organization without reference to control of or influence on the price of aluminum in the United States is strangely novel. The market in the United States had a protection of 7 cents and 11 cents a pound. Arthur V. Davis, of Pittsburgh, Pa., was then and is now the president of the Aluminum Co. of America. He projected and supervised the organization of the Northern Aluminum Co. of Canada. Having completed that organization, he went to London and negotiated the agreements with the European producers of aluminum. Mr. Davis appeared before the Committee on Ways and Means of the House last January in support of the rates on aluminum in the present law.

On page 1502 of the hearings before that committee occurs the colloquy on this point between Mr. Davis and Representative PALMER, as follows:

Mr. PALMER. What companies are connected with your Canadian company in a contract? Where do they operate?

Mr. DAVIS. There is a company in Italy, a Swiss company, with plants in Switzerland, Germany, and Austria; two companies, I think, in Norway; some five or six companies in France; two companies in England; and another company in Switzerland independent of the one first spoken of. I think that is all.

Mr. PALMER. That comprises about all the aluminum manufacturers on the Continent?

Mr. DAVIS. Yes, sir; all aluminum manufacturers on the Continent.

Mr. PALMER. Then your Canadian company has a contract with all of the aluminum manufacturers?

Mr. DAVIS. Yes, sir.

Mr. PALMER. Which contract regulates the prices?

Mr. DAVIS. Yes, sir.

Mr. PALMER. What is the price in Canada to-day?

Mr. DAVIS. The price in Canada to-day?

Mr. PALMER. Yes. Is it the same as it is here?

Mr. DAVIS. Yes; the same as it is in England or Italy. Just now it is abnormally high. It has averaged about 12 or 14 cents until just within the last two or three months.

Mr. PALMER. Is there real competition abroad between these various companies which you have mentioned?

Mr. DAVIS. There has been.

Mr. PALMER. Is there now?

Mr. DAVIS. Not now; no, sir.

Mr. PALMER. Why not?

Mr. DAVIS. On account of this contract that I speak of.

Mr. PALMER. Well, I mean in the foreign market is there real competition?

Mr. DAVIS. This contract covers the foreign market.

Mr. PALMER. As well as the Canadian market?

Mr. DAVIS. Yes, sir.

Now, mark the fact that these agreements were negotiated by the Northern Aluminum Co., which is a subsidiary and factotum of the Aluminum Co. of America, and that the agreements were made and perfected by the president of the latter company. Are we asked to believe that all this was done without the intention and effect of influencing the price of aluminum to American consumers? The world price of aluminum has advanced since that time. In the agreements was an assignment of territory to the world's producers. In the agreements it is expressly provided that "the sales in the United States of America are understood to be expressly reserved to the Aluminum Co. of America," and then to assure the European parties to the contract of assignment of territory and distribution of product, of full compliance with its terms, the agreement further says that "the Northern Aluminum Co. engages that the Aluminum Co. of America will respect the agreements hereby laid upon the Northern Aluminum Co."

Of course, these agreements looked to a world control. No other inducement could exist for making them. And whatever rise ensued in the world's markets it will be found on a study of foreign and domestic prices that the Aluminum Co. of America through all the years substantially has absorbed the duty on aluminum in a correspondingly advanced price to the consumers of this country. Not only did the agreements result in increase of prices abroad, but that increase is also absorbed in the domestic price plus what protective rates our tariff assures to the domestic producing monopoly at home. The artificial contrivances with foreign producers only aggravated the exactions from domestic consumers.

The question, therefore, presents an industrial side as well as a revenue side. What claim has the protectionist for the maintenance of the present rates? That which is to-day the Aluminum Co. of America started as the Pittsburgh Reduction Co., with a capital of \$20,000. This capitalization was subsequently increased to \$1,000,000, and then to \$1,600,000, and thereafter to \$3,800,000, on which capitalization a stock dividend of \$20,000,000, or over 500 per cent, was declared. This was in December, 1909, and in 1912 its surplus again amounted to over \$12,000,000. All this was in addition to whatever of cash dividends had been distributed through the years of its operation. Allowing nothing for these cash dividends we have capital and surplus of over \$35,000,000 on an original investment which, after including several hundred thousand dollars for the patent,

amounted, on Mr. Davis's statement at the House hearings, to a sum not exceeding \$1,810,000.

Down to 1909 the Aluminum Co. of America had produced about 160,000,000 pounds of the metal. That \$20,000,000 of stock dividend represented a profit of 13½ cents per pound on its total production. Doubtless much of the product of this company is carried forward by its subsidiary companies into sheets, plates, bars, rods, castings, cooking utensils, novelty articles, and other fabrications of aluminum. But it all eventuates in the profits realized by the parent company.

The facts on which these conclusions are based are not drawn from sources unfriendly to this company. Without exception, they come from the written agreements entered into by the company through its subsidiary and the voluntary statements of the president of the company. Viewed from the industrial side, the undisputed and indisputable facts leave no excuse, even from the standpoint of the protectionist, for the rates in the existing law.

At this point is projected into this debate the proposition to place all articles on the free list which by a court of competent jurisdiction are found to be the subjects of trust control. The weakness of this proposition is that when the court so finds it becomes the duty of the court to dissolve the trust agreements and annul the devices by which competition has been strangled and thus reestablish competition in the market. If the decree of the court is effective, the import duty would continue as long as the monopoly continues and end only when competition is established.

In the execution of Democratic platform pledges the pending bill places on the free list a long series of articles which common observation shows to be the subjects of artificial manipulation, and this is done without reference to judicial action in relation to them. The special cases of judicial decree, or cases in process of litigation, were enumerated a few moments ago by the junior Senator from Montana [Mr. WALSH] in his statement with admirable clearness and conciseness. In a majority of these cases it is palpable that the duties produce no revenue and that the rates are employed only to establish and maintain artificial prices at home, while selling the like domestic product at lower and competitive prices abroad. The pending measure makes intelligent application of the free list as a corrective of restraints on trade as far as the principle is capable of effective operation.

It will serve no good purpose to unduly magnify the free list as a factor in the eradication of trusts. Legislation on the tariff can broaden the field of competition and thus nullify the domestic arrangements for market control. But each case is dependent on its own facts. If the control be international, the case is exceptional and calls for action in a situation where the tariff may be without influence. Regrading, forestalling, engrossing, and monopolizing are not new things. They were denounced at common law and punished as crimes two centuries ago. The devices of to-day to strangle competition and exploit society are only varying forms of these old offenses against the law. There is not an American lawyer but who knows, or certainly should know, that when he assists clients to perfect their schemes to strangle competition he is acting in the teeth of the letter and spirit of the common law and in the teeth of the plain spirit, if not the express letter, of the antitrust act of 1890.

If the act of 1890 confers the necessary power to make its decree efficacious to destroy the evil, and the power is employed, that is sufficient. If the power conferred and the duty enjoined by the act are so used that the trust or monopoly avoids, evades, flouts, and treats with contempt the decrees of the court, then manifestly a solemn duty is imposed on the Department of Justice and the court to take appropriate action to enforce respect for the decrees of the court and compel correction of the wrongs which the act denounces and prohibits. If the act of 1890 is inadequate to meet any case that has arisen or that may arise, then the duty is on Congress to enlarge, supplement, and reenforce the act of 1890. If the act of 1890 is sufficient, enforce it. If it is not sufficient, reenforce it by appropriate legislation.

Now, Mr. President and Senators, your committee reports in favor of an amendment fixing the rate at 2 cents and at 3½ cents a pound. These rates are reductions of 72 per cent on the rates in the present law. There have been importations of aluminum. Whatever may have been the effect of the decree of the court in the case against the Aluminum Co. of America, there was an importation for the fiscal year ended June 30, 1913, of approximately 28,000,000 pounds.

The demand for the metal is so great that the conspiracies among producers can not prevent its use. The Aluminum Co. of America is itself an importer. On the basis of last year's

importations the rates prescribed by the committee will yield a revenue to the Government of at least from \$500,000 to \$600,000. This is a consideration we are not authorized to overlook. At the same time we release the American consumers from the remorseless exactions and heartless vexations practiced on them under the present law.

The Senator from Pennsylvania refers to the Ford Automobile Co. and the cost of aluminum per machine. He points to the large capital and large profits of that company. The consumers of aluminum are not all Ford companies. These consumers include hundreds of modest manufacturers, to whom this metal is necessary and to whom the high prices and uncertain supply are positive hardships. The \$20,000,000 of stock dividends were in large part contributions by these consumers under the compelling force of the present tariff law. These consumers ask no special privilege. They only ask that the taxing power of the Government shall not be used to bind them hand and foot in the market, while a favorite of the taxing power despoils them of their substance and puts to hazard their business. The rates prescribed are reductions of nearly three-fourths of the present rates. The rates proposed leave low revenue duties. Such rates are manifestly not destructive to the producer, are equitable to the consumer, and will contribute somewhat to meet the fiscal necessities of the Government. I trust the committee amendment may be adopted.

Mr. KENYON. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Oliver	Smith, Ariz.
Bacon	Hollis	Overman	Smith, Ga.
Bankhead	Hughes	Page	Smith, S. C.
Borah	James	Penrose	Smoot
Bradley	Johnson	Pomerene	Stephenson
Brady	Jones	Ransdell	Sterling
Bristow	Kenyon	Reed	Stone
Catron	Kern	Robinson	Swanson
Chamberlain	Lane	Root	Thomas
Clark, Wyo.	Lewis	Saulsbury	Thompson
Colt	McCumber	Shafroth	Vardaman
Crawford	Martin, Va.	Sheppard	Walsh
Dillingham	Martine, N. J.	Shields	Warren
Fletcher	Myers	Shively	Williams
Gallinger	Norris	Simmons	Works

The VICE PRESIDENT. Sixty Senators have answered to the roll call. A quorum of the Senate is present.

The question is on the amendment proposed by the Senator from Iowa [Mr. KENYON] to the amendment of the committee in paragraph 145.

Mr. REED. I wish to say just a word on this matter before the vote is taken.

We are told that aluminum is controlled by a world monopoly. However that may be, a considerable amount has been imported into the United States, and upon that amount a revenue of some magnitude has been derived by the Government. If it be true that there is a world-wide monopoly in this product, and we were to take off the tariff entirely, we would put in the pockets of this monopoly just the amount of money it now, for some reason, pays to the Government, because it does import.

If I were convinced that this is an American monopoly and that there is possible a substantial competition from abroad, I should desire to vote to place aluminum upon the free list, because by doing so I should stimulate the competition between the foreign producer and the domestic monopoly; and just in proportion as that competition was stimulated the consumer in this country would obtain benefit. But it is charged and not substantially denied—indeed, it is alleged by my very good friend, the author of the amendment—that the entire production, or substantially the entire production, is under the control of one great monopoly, having its headquarters in this country.

If that contention be sound and well taken, then every dollar of revenue we get at the customhouse is a tax levied upon the monopoly, and taking away that revenue seems to me to be in the interest of the monopoly, because it relieves it of that much taxation.

I desired to say that much before the vote should be taken.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 42, line 15, beginning with "Aluminum," strike out all down to the word "barium," on line 18, and insert: "That aluminum, aluminum scrap, aluminum in plates, sheets, bars, strips, and rods, shall be admitted to this country free of duty."

Mr. KENYON. I ask for the yeas and nays upon the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. McCUMBER (when his name was called). Announcing my pair with the senior Senator from Nevada [Mr. NEWLANDS], I withhold my vote.

Mr. REED (when his name was called). I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the senior Senator from Oklahoma [Mr. OWEN] and will vote. I vote "nay."

Mr. THOMAS (when his name was called). I make the same transfer as heretofore announced and will vote. I vote "nay."

The roll call was concluded.

Mr. CHILTON. I announce my pair as on former occasions, make the same transfer to the junior Senator from Nevada [Mr. PITTMAN], and will vote. I vote "nay."

Mr. BRYAN. I have a pair with the junior Senator from Michigan [Mr. TOWNSEND], which I transfer to the senior Senator from Tennessee [Mr. LEA] and will vote. I vote "nay." I am requested to announce that the senior Senator from Tennessee [Mr. LEA] is necessarily absent.

Mr. SMOOT. I desire to announce that the senior Senator from Delaware [Mr. DU PONT] is detained from the Senate on account of illness.

Mr. SUTHERLAND. I inquire if the senior Senator from Arkansas [Mr. CLARKE] has voted?

The VICE PRESIDENT. He has not.

Mr. SUTHERLAND. I withhold my vote, owing to my pair with him.

Mr. SAULSBURY (after having voted in the negative). Has the junior Senator from Rhode Island [Mr. COLT] voted?

The VICE PRESIDENT. He has not.

Mr. SAULSBURY. Then I desire to withdraw my vote.

Mr. LEWIS. I desire to transfer my pair with the junior Senator from North Dakota [Mr. GRONNA] to the junior Senator from Virginia [Mr. SWANSON] and will vote. I vote "nay."

Mr. SWANSON entered the Chamber and voted.

Mr. LEWIS. I am compelled to announce that I will withdraw my vote, the junior Senator from Virginia [Mr. SWANSON], to whom I temporarily transferred my pair, having voted. I being in pair with the junior Senator from North Dakota, I should not have voted, and I wish to withdraw my vote.

The result was announced—yeas 12, nays 55, as follows:

#### YEAS—12.

Brady	Clapp	Kenyon	Poin Dexter
Bristow	Crawford	La Follette	Sterling
Catron	Jones	Norris	Works

#### NAYS—55.

Ashurst	Hughes	Perkins	Smoot
Bacon	James	Pomerene	Stephenson
Bankhead	Johnson	Ransdell	Stone
Bradley	Kern	Reed	Swanson
Brandeggee	Lane	Robinson	Thomas
Bryan	Lodge	Root	Thompson
Chamberlain	Martin, Va.	Shafroth	Thornton
Chilton	Martine, N. J.	Sheppard	Tillman
Clark, Wyo.	Myers	Shields	Vardaman
Dillingham	Nelson	Shively	Walsh
Fletcher	Oliver	Simmons	Warren
Gallinger	Overman	Smith, Ariz.	Weeks
Hitchcock	Page	Smith, Ga.	Williams
Hollis	Penrose	Smith, S. C.	

#### NOT VOTING—28.

Borah	du Pont	Lewis	Pittman
Burleigh	Fall	Lippitt	Saulsbury
Burton	Goff	McCumber	Sherman
Clarke, Ark.	Gore	McLean	Smith, Md.
Colt	Gronna	Newlands	Smith, Mich.
Culberson	Jackson	O'Gorman	Sutherland
Cummins	Lea	Owen	Townsend

So Mr. KENYON's amendment was rejected.

Mr. STONE. The question is on the committee amendments now, is it not, Mr. President?

The VICE PRESIDENT. The committee amendments have been agreed to heretofore.

The SECRETARY. The next paragraphs passed over are on page 87, paragraphs 295 and 296.

Mr. STONE. I think they were disposed of, Mr. President.

Mr. WARREN. They were disposed of for the time being; yes.

Mr. STONE. The Senator desired to be heard on them, and was heard.

Mr. WARREN. Yes.

Mr. STONE. The amendments to those paragraphs have been agreed to.

The SECRETARY. The next paragraph passed over is on page 99, paragraph 332.

Mr. THOMAS. Mr. President, I desire to refer back to paragraph 297, and ask unanimous consent for its reconsideration, for the purpose of offering an amendment which I send to the desk. I presume it will have to be reconsidered.

The VICE PRESIDENT. The amendments to paragraph 297 will be reconsidered.

The SECRETARY. On page 88, paragraph 297, line 10, before the word "all," it is proposed to insert "gloves and mittens."

The amendment to the amendment was agreed to.

The SECRETARY. In line 14 it is proposed to strike out "50" and insert "40."

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question now is on the amendment as amended.

The amendment as amended was agreed to.

The SECRETARY. The next paragraph passed over is paragraph 332, on page 99.

Mr. SMOOT. Mr. President, the Secretary has missed one paragraph—paragraph 326, on page 96, which covers "woven fabrics, in the piece or otherwise."

Mr. THOMAS. Yes. We ask to have that paragraph passed over for the present. We probably shall be ready to report on it some time to-morrow morning.

The SECRETARY. Paragraph 326, on page 96, was passed over on the request of the senior Senator from Utah [Mr. SMOOT].

Mr. SMOOT. I should like to refer to paragraph 267 and call the attention of the Senator from Georgia [Mr. SMITH] to that paragraph. I notice that the statement I made on the floor of the Senate in relation to cords and tassels does not conform to what the present law is. I think there should be a comma after cords.

Mr. SMITH of Georgia. The terms really ought to be used, "cords, tassels, and cords and tassels."

Mr. SMOOT. So as to read:

Bandings, beltings, bindings, bone casings, cords, tassels, and cords and tassels.

Mr. SMITH of Georgia. That is correct. That was the first suggestion we made and we yielded on it, but after a reinvestigation of the subject I am satisfied that those terms ought to be used. When we returned to the cotton schedule we were going to suggest that change, but as it has been brought to the attention of the Senate now, I move for the committee that that modification be made.

The VICE PRESIDENT. It will be stated.

The SECRETARY. In paragraph 267, on page 80, line 21, after the word "tassels," insert "cords and tassels."

Mr. SMOOT. But I want to strike out the word "and" and insert a comma there.

Mr. SMITH of Georgia. The object is to have a separate phrase of cords, and tassels, as well as cords and tassels.

The SECRETARY. On page 80, line 21, after the word "tassels," in the amendment agreed to, and the comma, insert the words "cords and tassels" and a comma.

Mr. SMOOT. Then I want the word "and" stricken out.

The VICE PRESIDENT. There is none in.

Mr. SMOOT. My print shows there is, but if there is none no action need be taken.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. THOMAS. I ask unanimous consent to reconsider paragraph 318. I wish to offer an amendment to it.

The VICE PRESIDENT. Without objection, the paragraph will be reconsidered. The amendment will be stated.

The SECRETARY. In paragraph 318, page 91, line 19, strike out the words "plush or velvets" and insert the word "fabrics."

Mr. SMOOT. "Fabrics" is a new designation in tariff legislation.

Mr. THOMAS. No.

Mr. SMOOT. What I mean is outside of the general basket clause, which refers to fabrics of all classes. This is dealing with the wool schedule.

Mr. THOMAS. But "such fabrics." The Senator will notice that we have already inserted an amendment relating to woven figured upholstery goods. The words "plushes or velvets" might not be sufficiently comprehensive to embrace goods made of that material.

The VICE PRESIDENT. The amendment will be agreed to, without objection.

Mr. THOMAS. One moment. Let it read "such plushes, velvets, or other fabrics."

Mr. SMOOT. I suggest that it be made to read "in chief value of such plushes, velvets, or other similar fabrics."

Mr. THOMAS. Instead of the amendment offered I move to amend by striking out the word "or" in line 19, and inserting after the word "velvets" "or other fabrics."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 91, line 19, after the word "plushes," strike out the word "or," and after the word "velvets" insert "or other fabrics."

The amendment was agreed to.

Mr. BRANDEGEE subsequently said: Let me have the attention of the Senator from Colorado for just a minute, if possible.

Mr. THOMAS. I beg the Senator's pardon.

Mr. BRANDEGEE. I suggest to the Senator from Colorado to be kind enough to have the Secretary read once more the amendment on page 91, which was just agreed to. I want to make sure that it is correct.

Mr. THOMAS. Certainly.

The VICE PRESIDENT. The Secretary will read as requested.

The SECRETARY. Paragraph 318, page 91, as amended, reads as follows:

318. Plushes, velvets, and all other pile fabrics, cut or uncut, woven or knit, whether or not the pile covers the entire surface, and woven-figured upholstery goods, made wholly or in chief value of wool or of the hair of the Angora goat, alpaca, or other like animals, and articles made wholly or in chief value of such plushes, velvets, or other fabrics, 40 per cent ad valorem.

Mr. BRANDEGEE. Is that what the Senator wants?

Mr. THOMAS. Yes. If it is not correct, however, I should like to be informed in what respect it is wrong.

Mr. BRANDEGEE. I am not sure that I am correct. I am asking for information. The language as adopted would cover articles made wholly or in chief value of any fabric.

Mr. THOMAS. No; "of such plushes, velvets, or other fabrics."

Mr. BRANDEGEE. The word "such" was not stricken out by the Senator?

Mr. THOMAS. Oh, no; I do not understand that the word "such" was eliminated.

Mr. BRANDEGEE. If the word "such" modifies the words "other fabrics," the Senator is correct.

Mr. HUGHES. I ask unanimous consent to return to paragraph 347 for the purpose of making a change in the punctuation. I desire to strike out the semicolon, in line 21, and change it to a comma. In reading it over we think there is something in the contention that as it stands the qualifying language may be in conflict with the first part of the paragraph.

Mr. SMOOT. After the word "agate," in line 21?

Mr. HUGHES. Yes.

Mr. SMOOT. I think the semicolon is right.

Mr. HUGHES. I do not think there can be any possible doubt about it if the semicolon is changed to a comma.

Mr. CLARK of Wyoming. Then should not the comma be dispensed with after the word "ivory"?

Mr. SMOOT. I wish to say to the Senator, if that applied only to the last bracket he would be correct, but it applies to all the balance of the paragraph and therefore a semicolon is the proper punctuation. A comma would be all right if it applied simply to that part of the bracket preceding it, but this applies to "all the foregoing and buttons not specially provided for in this section, 40 per cent ad valorem."

Mr. HUGHES. But 40 per cent ad valorem is not supposed to apply to anything beyond the beginning of line 18. Further up in the paragraph there are certain rates provided for various classes of buttons.

Mr. SMOOT. If that is the object of the paragraph the Senator is correct, and it should be a comma.

Mr. HUGHES. That, of course, is the object of the paragraph.

Mr. SMOOT. The amendment is correct if that is the object.

The VICE PRESIDENT. The question is on agreeing to the amendment changing the punctuation as suggested. Without objection, it is agreed to.

Mr. LA FOLLETTE. I wish to offer an amendment in the nature of a substitute for the cotton schedule. I ask to have it printed and laid on the table.

The VICE PRESIDENT. That action will be taken.

Mr. SMOOT. I have an amendment to offer to paragraph 326, but I understand the Senator from Colorado to say that they are considering the paragraph.

Mr. THOMAS. Yes; we will bring it up to-morrow.

The SECRETARY. The next paragraph passed over is paragraph 332, on page 99.

Mr. JOHNSON. The committee wish to offer an amendment to the committee amendment. On page 99, line 22, I move to strike out the words "or its solution" and in lieu thereof to insert the word "leaf," so as to read:

Papers wholly or partly covered with metal leaf or with gelatin or flock, etc.

Mr. McCUMBER. The Senator from Massachusetts [Mr. LONGE] left the Chamber a moment ago and wanted to be sent for when this paragraph was reached. He is in the room of the Committee on Naval Affairs. I have sent for him. I will ask that the vote be delayed for one moment upon this matter until he can return to the Chamber.

The VICE PRESIDENT. The paragraph has not yet been read. The Chair suggests that the paragraph be read.

The SECRETARY. The amendment of the committee is to strike out from line 3, on page 99, to line 21, in the following words:

Papers, including wrapping paper, with coated surface or surfaces, or with the surface wholly or partly covered or decorated with a design, fancy effect, pattern or character whether produced in the pulp or otherwise, all of the foregoing not specially provided for, whether or not wholly or partly covered with metal or its solution or with gelatin or flock or embossed or printed except by lithographic process, cloth-lined or reinforced paper, parchment papers, and grease-proof and imitation parchment papers which have been supercalendered and rendered transparent, or partially so, by whatever name known; all other grease-proof and imitation parchment papers, not specially provided for in this section, by whatever name known; bags, envelopes, printed matter other than lithographic, and all other articles composed wholly or in chief value of any of the foregoing papers, not specially provided for in this section, and all boxes of paper, papier maché, or wood covered with any of the foregoing paper, 35 per cent ad valorem.

And in lieu thereof to insert from line 21, on page 99, to line 16, on page 100, as follows:

Papers wholly or partly covered with metal or its solution or with gelatin or flock, papers with white coated surface or surfaces, hand dipped marbled paper, and lithographic transfer paper, not printed, 25 per cent ad valorem; all other papers with coated surface or surfaces not specially provided for, whether or not embossed or printed except by lithographic process, 50 per cent ad valorem; uncoated papers, gummed, or with the surface or surfaces wholly or partly decorated or covered with a design, fancy effect, pattern, or character, whether produced in the pulp or otherwise except by lithographic process, cloth-lined or reinforced papers, parchment papers, and grease-proof and imitation parchment papers which have been supercalendered and rendered transparent or partially so, by whatever name known, all other grease-proof and imitation parchment papers, not specially provided for in this section, by whatever name known, bags, envelopes, and all other articles composed wholly or in chief value of any of the foregoing papers, not specially provided for in this section, and all boxes of paper or papier-maché or wood covered with any of the foregoing papers or covered or lined with cotton or other vegetable fiber, 35 per cent ad valorem.

Mr. LODGE entered the Chamber.

The VICE PRESIDENT. The Secretary will state the amendment to the amendment proposed by the committee.

The SECRETARY. On page 99, line 22, after the word "metal," strike out the words "or its solution" and insert the word "leaf."

Mr. LODGE. That does not concern me. The part I am interested in is the last provision.

The amendment to the amendment was agreed to.

Mr. JOHNSON. In line 23, after the word "surfaces," I move to insert the words "calender plate finished."

The amendment to the amendment was agreed to.

Mr. JOHNSON. In line 23, on page 99, after the word "paper" and the comma, I move to insert the words "parchment paper."

The amendment to the amendment was agreed to.

Mr. JOHNSON. In line 24, on page 99, I move to strike out the comma following the word "paper."

The amendment to the amendment was agreed to.

Mr. JOHNSON. In line 25, I move to strike out the words "all other."

The amendment to the amendment was agreed to.

Mr. JOHNSON. In line 25, after the word "surfaces," I move to insert the words "suitable for covering boxes."

The amendment to the amendment was agreed to.

Mr. JOHNSON. On page 100, line 2, after the semicolon following the words "ad valorem," I move to insert the words "all other paper with coated surface or surfaces not specially provided for in this section" and a semicolon.

The amendment to the amendment was agreed to.

Mr. JOHNSON. On page 100, in lines 6 and 7, I move to strike out the words "parchment papers" and the comma.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

Mr. SMOOT. The effect of the last amendment is, I suppose, to reduce the rate on parchment paper from 35 per cent ad valorem to 25 per cent.

Mr. JOHNSON. The parchment papers are changed from 35 to 25 per cent. Looking at the present law I find that they bear a duty of about 25 per cent, or a little less than that; but there seemed no place to put them. I think 22 per cent was the ad valorem equivalent. We placed them in that lower classification of 25 per cent. The imitation parchment papers under the present law bear a duty of about 65 per cent ad valorem.

Mr. SMOOT. The two classes of papers combined carry an equivalent ad valorem of 49 per cent.

Mr. JOHNSON. We made the separation. I am not talking about the two combined. We looked into that pretty carefully. It is the imitation parchment papers which, under the present law, bear a duty of about 65 per cent. We left them under the 35 per cent bracket, and the parchment papers we carried to the 25 per cent bracket.

Mr. SMOOT. That is what I said the effect of the amendment was, to take parchment papers from the 35 per cent bracket and place them in the 25 per cent bracket.

Mr. JOHNSON. That is true.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

The SECRETARY. The next amendment passed over was, in paragraph 332, on page 100, line 18, after the word "purposes," to insert the words "25 per centum ad valorem."

The amendment was agreed to.

The SECRETARY. The next amendment passed over was, in paragraph 332, on page 100, line 20, before the words "per cent," to strike out "25" and insert "15," so as to read:

Plain basic papers for albuminizing, sensitizing, baryta coating, or for photographic or solar printing processes, 15 per cent ad valorem.

Mr. LODGE. Mr. President, plain basic papers have been heretofore included with the others. The House put them under a rate of 25 per cent. Now they have been separated, and I should like to know why these particular papers, which are important and valuable papers for the photographic business, should have been separated and the duty on them so much further reduced?

Mr. JOHNSON. Mr. President, the reason was this: We placed photographic films upon the free list and we gave the papers here a reduced rate of duty for that reason, reducing them from 25 per cent to 15 per cent.

Mr. LODGE. But you have left the rate on albuminized and sensitized paper the same as it was in the bill as it came from the House, while you have made a distinction between the two photographic papers.

Mr. JOHNSON. The Senator will notice that the papers which may be used for albuminizing, sensitizing, and baryta coating are at 15 per cent, but after they are sensitized and albuminized they are then placed at 25 per cent—a little higher rate of duty.

Mr. LODGE. Mr. President, I am not going to take time over it, but I think that is a very severe reduction. The duty is 30 per cent in the existing law on these basic papers, and the House put it at 25. Now, the Senate committee have separated them and reduced them to 15 per cent. It seems to me a pretty severe reduction. The men who are engaged in making those papers have short hours and high wages, and this reduction of duty will put a great burden on that business. I would be glad if the duty could be left at the same rate as in the present law.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. JOHNSON. Mr. President, before going to the next amendment passed over, which is in paragraph 341, I wish to revert to paragraph 335 and to ask that it now be taken up for consideration.

The VICE PRESIDENT. Paragraph 335 will now be considered.

Mr. JOHNSON. The committee wishes to offer an amendment to paragraph 335, on page 104. After the word "flat," in line 3, the committee propose to strike out the words "plain, bordered, embossed, printed, tinted, decorated, or lined," and to insert the words "not specially provided for in this section."

The VICE PRESIDENT. The amendment proposed by the Senator from Maine on behalf of the committee will be stated.

The SECRETARY. In paragraph 335, on page 104, line 3, after the word "flat," it is proposed to strike out "plain, bordered, embossed, printed, tinted, decorated, or lined" and to insert "not specially provided for in this section."

Mr. SMOOT. That would effect envelopes other than plain, folded, or flat, and place upon them a higher rate of duty.

Mr. JOHNSON. That is true, because they are provided for in paragraph 332. This was in conflict.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Maine on behalf of the committee. The amendment was agreed to.

Mr. BRANDEGEE. Mr. President, while we are on this subject I want to call the attention of the Senator in charge to paragraph 335. I have a letter here from the Meriden Gravure Co. asking that an amendment be inserted on page 104, after the words "ad valorem," to strike out the period and to insert "articles composed wholly or in chief value of paper printed by the photogelatin process, and not specially provided for in this act, 3 cents per pound and 25 per cent ad valorem." They state in their letter:

As far as we can determine the Underwood bill makes no provision for the industry in which we are engaged, namely, photogelatin printing. In the act of 1909, Schedule M, paragraph 412, photogelatin printed matter is excepted and provided for in paragraph 415. In the new

bill the same exception is made under paragraph 412, but no separate provision given.

As we read the text, it would therefore come in at 15 per cent ad valorem as "printed matter."

A large part of the paper used in this industry comes from Germany, on which the duty is 25 per cent. It surely can not be the purpose of the bill to assess raw material at 25 per cent and the finished product at 15 per cent. Our presses are all imported under a duty, our gelatine likewise. With the tariff of 1909—3 cents per pound and 25 per cent ad valorem—we are in many lines in the closest competition with the German product. The new bill as it stands will simply hand the market over to our foreign competitors and close most of the shops in this country.

The process is of German origin, and in that country between 200 and 300 houses are engaged in it. It was brought to the United States in the early seventies. Although protected to the extent of 25 per cent, its growth was slow because of the German importations, and it was not until the act of 1909 that we were in a position to attempt to meet this competition at all. Before the passage of this act there were, to our best knowledge and belief, five concerns in the country engaged in this work. Since that time, wholly because of the ability given by the increased protection to meet the Germans on somewhere near even footing, some nine new houses have been established. Even now approximately 75 per cent of the photogelatin prints used in the country are imported. The 25 per cent footing we have gained will be wiped out under the new bill.

Labor and paper are the two large items in our cost of production. Wages for corresponding men are in Germany from one-third to one-half that ruling on this side. On the paper we are to pay a tariff of 25 per cent. On the machinery to produce the work—none is made in this country—35 per cent.

I am free to say, Mr. President, that I do not at all understand the technicalities of this industry, and so I am compelled to rely upon this firm, the members of which are constituents of mine.

Mr. LODGE. If the Senator will allow me, my attention was called to that matter also, and I meant to bring it up. I am very glad the Senator has done so. There is no question that the articles the Senator has mentioned, so far as I can make out, are not provided for anywhere in the bill.

Mr. JOHNSON. Mr. President, photogelatin papers are surface-coated papers, and in the amendment which I offered these words appear:

All other papers with coated surface or surfaces not specially provided for in this section.

And they bear a duty of 35 per cent.

Mr. LODGE. The Senator thinks that the expression "surface-coated paper" would cover photogelatin paper?

Mr. JOHNSON. It would cover the photogelatin paper.

Mr. LODGE. That is all right.

Mr. JOHNSON. It is also provided in that same paragraph that envelopes made of photogelatin paper or of any paper shall bear the same rate of duty as the paper from which they are made, which would be 35 per cent.

Mr. LODGE. If that is the case it is all right, of course.

Mr. BRANDEGEE. I would not have taken up so much time of the Senate if I had known that; but, as I have said, I was not familiar with the situation. A duty of 35 per cent, as I understand, will be an increase over the existing rate, if these papers now bear that duty.

Mr. THOMAS. Mr. President, I find that I omitted to offer an amendment recommended by the committee in one of the paragraphs in Schedule C, namely, paragraph 152. I ask leave to return to that paragraph. On behalf of the committee, I propose an amendment in paragraph 152, page 44, line 10, by striking out "10" and inserting "6."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In paragraph 152, on page 44, line 10, after the word "metal," it is proposed to strike out "10" and insert "6."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The SECRETARY. The next amendment passed over is paragraph 341, page 105, which was passed over at the request of the Senator from New Jersey [Mr. HUGHES].

Mr. HUGHES. Mr. President, I move to amend paragraph 341, page 105, line 22, by striking out the words "fabrics, wearing apparel, trimmings" and inserting, before the word "curtains," the words "lamp fringes"; and after the word "articles," in line 23, by inserting the words "not embroidered nor appliquéd and."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. In paragraph 341, page 105, line 22, before the words "curtains," it is proposed to strike out "fabrics, wearing apparel, trimmings" and to insert "lamp fringes"; and, in line 23, after the word "articles," to insert "not embroidered nor appliquéd and," so as to make the paragraph read:

341. Beads and spangles of all kinds, including imitation pearl beads, not threaded or strung, or strung loosely on thread for facility in transportation only, 35 per cent ad valorem; lamp fringes, curtains, and other articles not embroidered nor appliquéd and not specially pro-

vided for in this section, composed wholly or in chief value of beads or spangles made of glass or paste, gelatin, metal, or other material, 50 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. Mr. President, the amendment strikes out the words "wearing apparel and trimmings." I have not had time to look back over the bill to find out whether or not those particular articles are taken care of in another paragraph.

Mr. HUGHES. They are provided for in paragraph 368, I will say to the Senator—the embroidery paragraph.

Mr. SMOOT. That is all I wanted to ask the Senator. I have been looking through the bill, but I have not had time as yet, inasmuch as the amendment has just been offered, to make certain as to the matter. Of course if they are not taken care of, we should not strike them out of this paragraph.

Mr. HUGHES. Undoubtedly; and if it turns out that they are not taken care of there will be no objection to reverting to the paragraph, I imagine.

The SECRETARY. The next paragraph passed over is paragraph 355, on page 109.

Mr. LODGE. Is that the match paragraph?

The VICE PRESIDENT. It is.

Mr. SIMMONS. Mr. President, I was just trying to find the amendment suggested by the Senator from Massachusetts to that paragraph.

Mr. HUGHES. I want to ask the Senator from Massachusetts, if he will permit me, if he has examined the law on this subject?

Mr. LODGE. I have, with great care.

Mr. HUGHES. And the Senator is of the opinion that this provision will repeal the prohibition against the importation of white phosphorus matches under the existing law?

Mr. LODGE. This is the later act of the two.

Mr. HUGHES. That is the theory upon which the Senator is proceeding?

Mr. LODGE. Certainly. I think we would run the risk of having it said that this provision repealed that act, and therefore I suggested an amendment to the chairman of the committee in order to preserve the white phosphorus match legislation; that is all.

Mr. SIMMONS. On behalf of the committee I offer the amendment to paragraph 355 which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 109, after the words "ad valorem," at the end of paragraph 355, it is proposed to insert:

Provided, That in accordance with section 10 of "An act to provide for a tax upon white phosphorus matches, and for other purposes," approved April 9, 1912, white phosphorus matches manufactured wholly or in part in any foreign country shall not be entitled to enter at any of the ports of the United States, and the importation thereof is hereby prohibited; Provided further, That nothing in this act contained shall be held to repeal or modify said act to provide for a tax upon white phosphorus matches, and for other purposes, approved April 9, 1912.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. SMOOT. Now, Mr. President, I want to call attention to one rate in this paragraph. In lines 20 and 21 it is provided that matches—

when imported otherwise than in boxes containing not more than 100 matches each, one-fourth of 1 cent per 1,000 matches.

The duty in the present law is one-half of 1 cent. The ad valorem equivalent under the present law is only 8.44 per cent, which is a very low rate indeed. I am not going to discuss the question any further than to say that even if the decreases from the present law are made upon all the other classes of matches, it does seem to me that that grade of match should carry at least one-half instead of one-quarter of a cent. With one-quarter of a cent the duty is only 4.22 per cent equivalent ad valorem. If the Senator does not feel justified in accepting the suggestion, I am not going to detain the Senate by an argument, but I shall ask to have certain correspondence put in the Record in connection with this item.

I think if the Senator will examine that particular item he will come to the conclusion that to-day there is the most severe competition. As I say, the equivalent ad valorem upon them is only 8.44 per cent under the present law.

Mr. HUGHES. I can only say to the Senator that we have given the most thorough and exhaustive consideration to this item. It has given us a great deal of trouble. We have been furnished with all sorts of arguments and briefs and an abundance of information, but nothing was laid before the subcommittee or the members of the full committee that seemed to justify them in interfering with the rates made by the House.

Now, I want to call the Senator's attention to something very peculiar in that particular bracket. The Senator will find that the average unit of value in 1912 was 7.3 cents, and it is admit-

ted that matches that fall under that classification are sold in this country for much less than that. I call the Senator's attention to the fact that in 1910 we find them at 4.4 cents. I asked some of the gentlemen who appeared before me why they were so much afraid of foreign competition when the foreign unit of value was so much higher than the market price of matches in this country.

Mr. SMOOT. That is very easily explained. The reason is that the matches of this class sent to this country under the present rate are, of course, the very highest-priced matches of that grade that are made.

Mr. HUGHES. I will say to the Senator that the gentlemen who are interested in raising this rate did not make that explanation. They said there was something wrong with the classification and some other kind of match was coming in here; but all the way across the unit of value seems to me to leave a good deal to be explained.

Mr. SMOOT. The Senator certainly is not going to take that class of match and try to show that the unit of value is as given in this report. There is something wrong, because not only is it higher than the foreign value, but it is higher than the local value. So there is certainly something wrong in relation to the unit of value.

Mr. HUGHES. That point was never satisfactorily explained to me. It may very well be that they are making and selling matches in this country, put up in this way in these large boxes containing more than 100, for less than they are able to put them up in that way and sell them for abroad. That would seem to be the obvious explanation.

Mr. SMOOT. I have before me a letter from Austin Nichols & Co. (Inc.), of New York, importers of foreign matches, addressed to the Fred. Fear Match Co., of New York City, N. Y. The letter is a partial explanation of this situation. They recommend that orders be placed now for these matches, claiming that they can not be made in this country except at certain times of the year, and that since the duty is going to be cut 50 per cent there is no question that the foreign manufacturers will control this market.

As I say to the Senator, the equivalent ad valorem upon this class of matches is only 4.22 per cent. I said I would ask that these papers go into the RECORD. I will not even encumber the RECORD with them. If the Senator has made up his mind that there is no need of making the change, I will say no more, and simply let it rest with the protest I have already made.

Mr. GALLINGER. Mr. President, this is one instance where I very strongly favor a low rate of duty—in the interest of conservation, however. The desolation that the Diamond Match Co., and perhaps other match companies—are creating in the forests of the United States, destroying pine timber not much larger than my thumb, is appalling. I am not going to worry over an increased importation of matches if it will tend to save the small trees in our forests, which are now not regarded by these great match corporations.

Mr. SIMMONS. I think the Senator from New Jersey has failed to call attention to the fact that in line 22 the word "fuses" is used, when it ought to be "fusees."

Mr. HUGHES. Yes; I had overlooked that.

The VICE PRESIDENT. That is a matter of spelling. Another "e" should be put in it.

Mr. HUGHES. I move to amend by adding an additional "e," so as to make the word "fusees" rather than "fuses." I ask unanimous consent to make that amendment.

The VICE PRESIDENT. That correction will be made.

The SECRETARY. On page 110, paragraph 357, on August 26, was recommended to the committee on the request of the junior Senator from New Jersey [Mr. HUGHES].

Mr. HUGHES. I ask the Secretary to read the proposed amendments down to the proviso.

The SECRETARY. In paragraph 357, page 110, line 10, after the word "manner," the committee proposes to insert "and not suitable for use as millinery ornaments."

The amendment was agreed to.

The SECRETARY. In line 11, after the word "and," it is proposed to strike out the word "other."

The amendment was agreed to.

The SECRETARY. In line 13, after the word "feathers," it is proposed to strike out the comma and insert "suitable for use as millinery ornaments, artificial and ornamental."

The amendment was agreed to.

The SECRETARY. In line 14, after the word "leaves," it is proposed to insert "grasses" and a comma.

The amendment was agreed to.

Mr. BRANDEGEE. What paragraph is this?

The VICE PRESIDENT. Paragraph 357.

The SECRETARY. In line 19, after the word "other," it is proposed to strike out "materials or articles" and insert "material."

The amendment was agreed to.

The SECRETARY. In line 22, after the word "plumes," it is proposed to strike out the comma and the words "and the feathers, quills, heads, wings, tails, skins or parts of skins, of wild birds, either raw or manufactured, and not for scientific or educational purposes."

Mr. HUGHES. I am directed by the committee to move to lay the committee amendment on the table, thus restoring the original language of the bill.

Mr. GALLINGER. The committee amendment should be disagreed to, then.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was rejected.

The SECRETARY. On page 110, line 25, after the word "prohibited," it is proposed to strike out "but this provision shall not apply to the feathers or plumes of ostriches or to the feathers or plumes of domestic fowls of any kind."

Mr. HUGHES. I move that the committee amendment in that regard be not agreed to.

The amendment was rejected.

The VICE PRESIDENT. The RECORD will show that the committee has rereported paragraph 357.

The SECRETARY. The next paragraph passed over is paragraph 358.

Mr. THOMAS. Mr. President, I ask unanimous consent to recur at this time to paragraph 116, for which the committee offers a substitute, which I send to the desk.

The SECRETARY. On page 33 the committee offers a substitute for paragraph 116, in the following words:

116. Round iron or steel wire; wire composed of iron, steel, or other metal except gold or silver; corset clasps, corset steels, dress steels, and all flat wires and steel in strips not thicker than seven one-hundredths of 1 inch and not exceeding 5 inches in width, whether in long or short lengths, in coils or otherwise, and whether rolled or drawn through dies or rolls or otherwise produced; telegraph and telephone wires; iron and steel wire coated by dipping, galvanizing, or similar process with zinc, tin, or other metal; all other wire not specially provided for in this section, and articles manufactured wholly or in chief value of any wire or wires provided for in this section; all the foregoing, 15 per cent ad valorem; wire heddles and heads; wire rope; telegraph, telephone, and other wires and cables covered with cotton, silk, paper, rubber, lead, or other material; all the foregoing and articles manufactured wholly or in chief value thereof, 25 per cent ad valorem; woven wire cloth made of iron, steel, copper, brass, bronze, or other metal, 30 mesh and above, 30 per cent ad valorem.

Mr. SMOOT. The amendment, as nearly as I could follow it, simply takes cable wires out of the 15 per cent ad valorem bracket and puts them in the 25 per cent bracket.

Mr. THOMAS. Cables and all covered wire; yes. It also broadens the woven-wire-cloth paragraph by including "iron, bronze, or other metal."

Mr. SMOOT. Yes; I was going to refer to that item also.

The amendment was agreed to.

Mr. THOMAS. I should like to inquire whether paragraph 106 has been acted upon. I think it has.

Mr. SMOOT. No; it went over.

The SECRETARY. Paragraph 106, on page 30, was passed over at the request of the junior Senator from Michigan [Mr. TOWNSEND]. It has been read.

Mr. THOMAS. The committee has no amendment to present to that paragraph.

The VICE PRESIDENT. It has not yet been agreed to. It has been read, but it has not been agreed to.

The SECRETARY. On page 30, line 8, after the word "manufactured," the committee proposes to strike out "12" and insert "10."

The amendment was agreed to.

The SECRETARY. On page 111, paragraph 358, all the amendments have been agreed to.

Mr. SMOOT. I believe all the amendments in that paragraph have been agreed to. I asked that the paragraph be passed over, for the purpose of offering an amendment. I will suggest the amendment now, to correct the paragraph as I suggested at the time that I asked to have the paragraph go over.

I move that the words "or repairing" be inserted after the word "dyeing," on line 7, page 111. It would then read:

Furs dressed on the skin, not advanced further than dyeing or repairing, 20 per cent ad valorem.

Mr. HUGHES. I should like to have that amendment pending and ask that the paragraph may be passed over again. There is a proposition before the committee that has not yet been acted upon.

Mr. SMOOT. I will say to the Senator, as I said before, that the word "repairing" has a well-known meaning and has been

passed upon by the courts as designating an article between the raw fur and the manufactured fur. If the Senator desires, I will call his attention to the case.

Mr. HUGHES. I ask that the paragraph may be passed over.

The VICE PRESIDENT. The paragraph will be passed over for the present.

The SECRETARY. On page 114 paragraph 368 was passed over at the request of the junior Senator from New Jersey [Mr. HUGHES].

Mr. HUGHES. I am directed by the committee to offer a substitute for the paragraph, which I should like to have read.

The SECRETARY. In lieu of paragraph 368 it is proposed to insert the following:

368. Laces, lace window curtains not specially provided for in this section, coach, carriage, and automobile laces, and all lace articles of whatever yarns, threads, or filaments composed; handkerchiefs, napkins, wearing apparel, and all other articles or fabrics made wholly or in part of lace or of imitation lace of any kind; embroideries, wearing apparel, handkerchiefs, and all articles or fabrics embroidered in any manner by hand or machinery, whether with a plain or fancy initial, monogram, or otherwise, or tamboured, appliqued, or scalloped by hand or machinery, any of the foregoing by whatever name known; nets, nettings, veils, veillings, neck ruffings, ruchings, tuckings, flouncings, flutings, quillings, ornaments; braids, loom woven and ornamented in the process of weaving, or made by hand, or on any braid machine, knitting machine, or lace machine, and not specially provided for; trimmings not specially provided for; woven fabrics or articles from which threads have been omitted, drawn, punched, or cut, and with threads introduced after weaving, forming figures or designs, not including straight hemstitching; and articles made in whole or in part of any of the foregoing fabrics or articles; all of the foregoing of whatever yarns, threads, or filaments composed, 60 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The SECRETARY. The next paragraph passed over is on page 118, paragraph 378.

Mr. LODGE. Has it been read?

Mr. GALLINGER. Before that is reached I desire to ask the Senator from New Jersey in reference to paragraph 368. Was the material I called attention to when the matter was discussed some time ago inserted?

Mr. HUGHES. That was discussed and considered by the committee, and the phraseology was changed so as to take into consideration that particular material, which undoubtedly belongs in that paragraph.

Mr. GALLINGER. The Senator has no doubt but that it is taken care of in the amendment as proposed by him?

Mr. HUGHES. I am as certain as I can be of anything of the kind. It is a very complicated paragraph.

Mr. GALLINGER. The amendment, suggested, I think, by a Government expert, was that the words "loom woven and ornamented and in process of weaving" should be inserted.

Mr. HUGHES. That is the language which has been inserted.

Mr. GALLINGER. It has been inserted?

Mr. HUGHES. Yes, sir.

Mr. GALLINGER. I thank the Senator. That is all I cared to have inserted in the paragraph.

Mr. SMOOT. I should like to ask the Senator from New Jersey whether the change made takes care of edgings, insertings, and galloons that were stricken out of the paragraph by the committee? It was hard to follow the amendment as it was read. I ask whether those items were taken care of in the substitute just offered?

Mr. HUGHES. I will say to the Senator they have been taken care of.

The SECRETARY. In paragraph 378, page 118, line 9, after the word "rates" and the colon, the committee report to strike out "India rubber or gutta-percha, 10 per cent ad valorem," and to insert:

Manufactures of India rubber or gutta-percha, commonly known as druggists' sundries, 15 per cent ad valorem; manufactures of India rubber or gutta-percha, not specially provided for in this section, 10 per cent ad valorem.

The amendment was agreed to.

The SECRETARY. The next paragraph passed over is 379.

Mr. LODGE. The paragraph just read includes the item horn combs. It is not a great industry, but the factories which make it have been established for a long time, for periods ranging from 60 to 30 years. Individually they are small concerns. The comb which they make is retailed universally for either 5 or 10 cents, and the reduction in duty on the foreign comb would have no effect at all on the price to the ultimate consumer. There could be no gain in revenue because of the reduction, as there is now a very large importation of combs in competition with ours made at home. To get as much revenue at 25 per cent as is now obtained they would have practically to wipe out the product in this country. There-

fore, there will be a loss of revenue. As a matter of fact, at this rate I do not believe it would be possible for the horn-comb industry to survive.

In line 18, page 118, paragraph 378, I shall move to strike out "25" and to insert "40" before "per cent," and I ask leave to print with my remarks certain statements from two or three of the makers of combs.

The VICE PRESIDENT. Without objection, the matter referred to will be included in the Record.

The matter referred to is as follows:

Among the 4,000 articles covered by the tariff bill now before Congress, horn combs constitute an item of minor importance, and it is probable that it has not received the consideration necessary to a proper understanding of all the facts.

Believing that if the matter was clearly understood the proposed change from 50 per cent to 25 per cent in the Underwood bill would be greatly modified, we therefore ask your careful attention to the following statements which bear on "Combs, composed wholly of horn or of horn and metal," Schedule N, paragraph 383.

If the change is made as proposed, viz, 25 per cent, it will be—

(a) No advantage to ultimate consumer. (See (a), p. 2.)

(b) Great loss to workman. (See (b), p. 2.)

(c) No gain in revenue to Government unless the home industry is destroyed. (See (c), p. 2.)

(d) A severe blow to manufacturers. (See (d), p. 2.)

(e) Great benefit to foreign manufacturers. (See (e), p. 3.)

In outlining its policy in the preparation of the new tariff bill the Democratic Party, through its leaders, has announced the following purposes:

First, "To introduce in every line of industry a competitive tariff basis providing for a substantial amount of importation."

Second, "The attainment of this end by legislation that would not injure or destroy legitimate industry."

In the proposition to reduce horn combs from 50 per cent to 25 per cent we think you will clearly see that these principles have been ignored.

Under the present duty of 50 per cent the importations of horn combs for the fiscal years 1911 and 1912 (see official figures of Department of Commerce and Labor) have averaged \$143,000 duty paid per year. The estimated average United States production for the same period was \$550,000, making a total consumption of \$693,000. The importations therefore are more than 25 per cent of the United States production and more than 20 per cent of the consumption, which amount clearly shows a "substantial amount of importation" and thus conforms to the first principle, even with the 50 per cent duty.

It is clear, in view of this, that cutting the duty squarely in half places our industry absolutely at the mercy of the foreign manufacturers.

In the synopsis on page 1 we state that the change to 25 per cent would be—

(a) NO ADVANTAGE TO THE ULTIMATE CONSUMER.

Horn combs are almost universally retailed for either 5 or 10 cents, principally the latter price, and this would continue regardless of a change in the wholesale price. This condition is largely brought about by the influence of the syndicate stores, now completely covering the country, who have established these uniform prices notwithstanding the fact they purchase the goods at greatly varying prices at wholesale. We therefore claim that the ultimate consumer will not be benefited by the change.

(b) GREAT LOSS TO THE WORKINGMAN.

The percentage of labor cost in making horn combs is very large, being between 40 per cent and 50 per cent of total cost, the other expenses, together with the raw material, horn, which is less than 45 per cent, making up the total. As the cost of materials, including horn, is fixed by the markets, the only opportunity of reduction in cost would be in the wages paid for labor. The wages in Scotland, our principal competitors, are not exceeding one-third those paid in our factories, so that with such a low duty it is clear the workmen must either suffer from a lower rate of wages or from loss of occupation altogether.

(c) NO GAIN IN REVENUE TO GOVERNMENT.

As under the proposed reduction to 25 per cent it will be necessary to double the importations to secure the present amount of revenue, in order to secure any considerable increase of customs duties the importations must be increased very much beyond this total. If this greater total of importations is brought into the country, is it not very clear that the industry will suffer beyond recovery?

(d) A SEVERE BLOW TO THE MANUFACTURERS.

The various firms engaged in horn-comb manufacturing have been established from 30 to 60 years. They are composed of men of respectability, standing well in their communities. They have all been industrious and inventive and devoted to their business, and have none of them accumulated more than a reasonable competence out of the business. In most cases their all is invested in the business, and their income and living depends on a continuation of the same.

(e) GREAT BENEFITS TO FOREIGN MANUFACTURERS.

The only benefit we can discover in the change of duty proposed will be an enlargement of the business of the foreign manufacturers, particularly the British Comb Trust, who are waiting eagerly for the final decision on this rate of duty and are looking forward to greatly increased sales of their manufactures in this country.

No doubt importers who handle the foreign goods will reap increased profit due to the large increase of importations, all of which will displace goods made by American workmen, who will by this be thrown out of employment.

We recognize that the present administration interprets their call to power as being based in part at least on a new tariff bill with downward revision, and in common with many other industries we would expect to share somewhat in the reductions to be made. We submit, however, in view of all the facts heretofore set forth, and particularly the present large importations, that to reduce the duty one-fourth of the present rate of 50 per cent to 37½ per cent would under the circumstances be a very large reduction, and one which would increase the already large percentage of importations, but still give the American manufacturers and workmen a fighting chance. We assure you the above reductions would give us the hardest kind of a fight.

This would then be in harmony with the words of President Wilson spoken at the opening session of Congress. "It would be unwise to move forward toward this end headlong, with reckless haste, or with strokes that cut the very roots of what has grown up amongst us by long process."

"It does not alter a thing to upset it and break it and deprive it of a chance to change. It destroys it. We must make changes in our laws, whose object is development, a more free and wholesome development, not revolution, or upset, or confusion."

Respectfully submitted.

FRANKFORD, PHILADELPHIA, PA.

JACOB W. WALTON SONS.

NEWBURYPORT, MASS., May 6, 1913.

GENTLEMEN: The foregoing letter of Jacob Walton Sons has been submitted to us for consideration and comment.

We have carefully read and considered every paragraph, and wish to add our indorsement as to the correctness of each statement.

We think that the importations under the present rate of duty is conclusive and unanswerable evidence as to the fairness of a rate of 50 per cent.

The large percentage of imports also meets the rule of "a substantial amount of importation" laid down by President Wilson and Chairman UNDERWOOD.

In addition to the foreign competition just referred to, the domestic competition has been very severe and aggressive. It has therefore been absolutely necessary for us to maintain a high state of efficiency in order to compete successfully.

We appreciate the difficulty of a committee in trying to reach the truth relating to 4,000 items in so short a space of time, and believe that a fuller knowledge of the horn-comb industry will lead to a modification of the duty, so that the industry will not be wholly at the mercy of the foreign manufacturers.

We particularly call attention to the quotation from President Wilson's address to Congress, quoted in the letter of Waltons.

We also call the attention to the speech of Hon. OSCAR W. UNDERWOOD in reporting the new bill, in which he stated that it was "not the intention to injure or destroy legitimate industry."

We respectfully urge upon you that the proposed duty of 25 per cent be increased to 37½ per cent to conform to the above-quoted views.

G. W. RICHARDSON Co.,  
G. W. RICHARDSON, Treasurer.

NEWBURYPORT, MASS., May 6, 1913.

JACOB W. WALTON SONS.

Frankford, Philadelphia.

GENTLEMEN: Your letter of the 5th is at hand. We have gone over this letter very thoroughly and fully agree with all the statements you make.

It seems to us that if it can only be fully understood by all the Members of Congress that the wages of the American comb workers are at least three times those paid by our foreign competitors that they would at once acknowledge that a duty of 50 per cent was only a fair duty and not a prohibitive one, as under the present 50 per cent duty the imports of horn combs are 25 per cent of the domestic manufacturers. Now, if this duty is to be reduced it certainly means that the workmen will be obliged to receive less for their labor or the factory closed entirely, as the raw material for the combs is bought in the same market, at the same prices, both by the foreign manufacturers and ourselves.

Yours, truly,

W. H. NOYES & BRO. CO.

NEWBURYPORT, MASS., January 13, 1913.

HON. HENRY CABOT LODGE,

Senator, Washington, D. C.

DEAR SIR: As hearings in relation to a new tariff bill are now under way, we desire to give you the following information in regard to horn combs, dutiable under section N, which section is set for hearing on the 29th instant.

The duty on this article was raised from 30 per cent to 50 per cent ad valorem by the present tariff.

That this advance in rate was fully justified by conditions is clearly shown by the following results:

First. That no advances in price have since been made by any of the domestic manufacturers.

Second. The importations since the increase in rate have been as follows:

Year ending June 30, 1911, \$155,265, duty paid.

Year ending June 30, 1912, \$130,272, duty paid.

These figures are from the official reports of the Department of Commerce and Labor.

The value of importations in each year was fully 25 per cent of the estimated domestic production—the sales in 1912 showing a falling off in common with that of many other manufactured products.

It is not possible to make a comparison with importations under previous tariffs as the present bill is the first one to make a separate classification of this article, but the above large percentage of importations shows very clearly that the present rate is far from being prohibitive.

The conditions existing in this industry are highly competitive, both from domestic and foreign sources.

The manufacturers in this country have factory capacity in excess of production and each is therefore striving keenly to secure more business.

The foreign competition comes principally from Great Britain, France, Germany, and Italy, all countries with a very low wage scale.

The competition of the Aberdeen Comb Co., of Aberdeen, Scotland, is particularly difficult to meet, and we are constantly undersold by them on many styles, they having imitated some of our most important combs, and are making strong efforts to increase their trade in this country.

The above company is a consolidation of all of the important horn-comb factories in Great Britain, and if located in this country would be designated as a trust.

Most of the horn combs sold in this country are retailed at either 5 cents or 10 cents. Owing to this trade condition a change of duty either upward or downward would have no effect on the consumer.

Any reduction in the rate would therefore be solely to the advantage of the foreign manufacturers or to the importers. Such action would necessarily be distinctly to the disadvantage of the domestic manufacturers and to their employees.

As it has been shown that the manufacturers in this country did not take advantage of the increase of duty to raise prices, and as the increased and steadily rising wage scale since the present law was passed makes it even more difficult now to compete with the low wage scale of Europe, we most earnestly hope that the present rate may not be changed.

Yours, very truly,

G. W. RICHARDSON Co.,  
G. W. RICHARDSON, Secretary.

LEOMINSTER, MASS., July 24, 1913.

Senator H. C. LODGE, Washington, D. C.

DEAR SENATOR: We have written to Congressman PETERS, as you suggested, who is on the Ways and Means Committee, in regard to the reduction of tariff on manufactured horn goods, which come under section 378 of Schedule N, of an act passed by the House.

We also had the Democratic town committee of Leominster, as well as the Lieutenant governor, write Mr. PETERS, as they were familiar with the conditions here in this industry, against the reduction from 35 per cent ad valorem to 20 per cent ad valorem on the goods manufactured of horn which are imported to this country.

Messrs. B. F. Blodgett & Co. and the Goodhue Co., of Leominster, Mass., manufacture horn machete handles. They are used on a machete knife that is exported to other countries, none of them to my knowledge being used in this country.

We obtained figures from the Treasury Department through the customs service in New York. The amount of these horn handles which are imported to this country under the present tariff of 35 per cent is approximately 250,000 pair of handles, or about one-third of the horn handles used in the country, and B. F. Blodgett & Co. and the Goodhue Co. manufacture the other two-thirds; that is, about 500,000 pair of handles.

Now what would be the result if the tariff on these handles is reduced 15 per cent when the price at present is so near the price of the goods which are manufactured here? It seems to us that the foreigners will take all the business, and there can be no good result from it to anyone. The Government will not receive much more income, and we shall practically lose all our business, and we feel that something ought to be done to exempt these goods manufactured of horn included in section 378 of Schedule N.

We feel that it only does great harm to us and our little business and is not doing the country or any of its citizens any good. There seems to be no wrong to be righted in this matter, but simply makes a sweeping thing of a lot of different little items that are manufactured here and help make up the industries of our town and give employment to our people.

We wish you would look into this on its merits. We dislike very much to trouble you, as we know that the cares and anxieties of a Senator at a time like this are very great, but we feel that this matter is of vital importance to us, and we hope if our wishes are carried out it will be of some benefit to the town and the community.

Hoping to hear from you, we are,

Very truly, yours,

B. F. BLODGETT & CO.  
THE GOODHUE CO.  
EDWARD F. BLODGETT.

LEOMINSTER, MASS., April 8, 1913.

Senator H. C. LODGE,  
Washington, D. C.

DEAR SIR: We have just been informed that there is a prospect of reducing the tariff on manufactured horn goods to 15 per cent, and also on celluloid. This will hit Leominster very hard, as it is all we can do now to compete with foreign countries on these manufactured goods. Would especially call your attention to the reduction on horn machete handles, which we manufacture and have for years.

The large concern which takes our entire output, the Collins Co., Collinsville, Conn., have kindly shown us invoices of horn machete handles shipped from England. Under the present tariff their prices are about \$2 per hundred less than ours. If they can compete with us at the present rate of tariff, what will happen if the tariff is reduced to 15 per cent? It will simply put us out of business, as far as machete handles are concerned. Machete handles are manufactured here in competition with B. F. Blodgett & Co. There is no trust in this matter and only a fair profit is made from same. We are very willing to submit our books, invoices, etc., to the proper persons for inspection in confirmation of what we have written above.

Trusting that you will do what you can to keep the present duty as it is and that we shall have your close cooperation and influence in this matter, we remain,

Yours, very truly,

THE GOODHUE CO.,  
By J. A. GOODHUE.

Mr. LODGE. In line 18, before the words "per cent," I move to strike out "25" and insert "40," so as to read:

Combs composed wholly of horn or of horn and metal, 40 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Massachusetts.

The amendment was rejected.

The Secretary read paragraph 379, as follows:

379. Ivory tusks in their natural state, or cut vertically across the grain only, with the bark left intact, 20 per cent ad valorem; manufactures of ivory or vegetable ivory, or of which either of these substances is the component material of chief value, not specially provided for in this section, 30 per cent ad valorem; manufactures of mother-of-pearl and shell, plaster of Paris, papier-mâché, and vulcanized india rubber known as "hard rubber," or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 25 per cent ad valorem; shells engraved, cut, ornamented, or otherwise manufactured, 25 per cent ad valorem.

Mr. HUGHES. I am directed by the committee to offer an amendment to paragraph 379. On page 119, line 2, I move to strike out the numeral "30" and to insert the numeral "35," making the rate 35 per cent ad valorem.

Mr. SMOOT. That is the present rate?

Mr. HUGHES. Yes; the present rate.

The amendment was agreed to.

The SECRETARY. The committee report an amendment to this paragraph on page 119, line 6, by striking out, before "per cent," "25" and inserting "15," so as to read:

Or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 15 per cent ad valorem; shells engraved, cut, ornamented, or otherwise manufactured, 25 per cent ad valorem.

Mr. HUGHES. I am directed by the committee to ask that the amendment be disagreed to.

The amendment was rejected.

Mr. BRANDEGEE. Mr. President, at the time this paragraph was passed over I put in the RECORD a letter from a constituent of mine in relation to ivory tusks in their natural state. The substance of the letter was that ivory in the natural state, the entire tusk, had always been upon the free list. Of course it is not produced in this country. The constituent who wrote me was very heavily interested in the piano business, and it is a leading industry in my State. Piano keys are made from this ivory.

The letter I put in the RECORD, which I will not attempt now to bother with reading in its entirety, made the point that if this duty is put upon this product on the theory that ivory is a luxury in this business, it is a mistaken theory, that the great mass of the pianos made are sold upon the installment plan to people of very moderate means, and the 20 per cent duty levied by this paragraph would certainly result in the raising of the price on these articles and hurt their business.

In this connection I offer an amendment which I send to the desk, and at the same time I offer an amendment to go in on page 139 at the end of line 22. If this duty should be taken off of course the second amendment would be necessary to restore it to the free list. I will ask the Secretary to read both amendments.

The SECRETARY. In paragraph 379, page 118, line 22, strike out the words "in their natural state, or," so as to read:

Ivory tusks cut vertically across the grain only, with the bark left intact, 20 per cent ad valorem.

On page 139, line 22, after the word "unmanufactured," insert:

Ivory tusks not sawed, cut, or otherwise manufactured.

The amendment was rejected.

Mr. PENROSE. Mr. President, the paragraph relating to horn combs was passed over when this schedule was originally under consideration and the understanding was that it should not be taken up in my absence. Inadvertently the paragraph was agreed to and an amendment offered by the Senator from Massachusetts [Mr. LODGE] was voted down while I was temporarily absent from the Chamber. I ask unanimous consent to make just a brief statement and to have some papers printed in the RECORD.

This is a small industry. I think there are only two or three concerns of the kind in the United States. One is located at Frankford, in Philadelphia. Another is located elsewhere in Pennsylvania. These combs are made out of the horns of cattle and are sold very cheaply to the consumer. It is impossible to understand how he can in any way be benefited by a reduction of the duty on the article. The industry, in my opinion, will be absolutely wiped out by this reduction. The competition is so keen with England and other parts of Europe that this little industry, giving employment to a few industrious and deserving mechanics, will have to be closed.

The comb works at Aberdeen are a principal competitor of the American article. The comb makers are the lowest paid skilled workers in Aberdeen. It is 14 years since they had an increase in wages. They have had to submit to insulting conditions, petty tyrannies, and a system of fining, such as no other workers have to endure. For instance, the workers have to pay for broken windows, even though they have not broken them.

I have here a circular of the Aberdeen Comb Makers' Society giving notice of a demonstration to be held on Castle Street, Thursday, June 26, 1913, at 8 p. m., in support of the workers on a strike. The notice goes on to state that addresses will be given by David Palmer, president of the trades council, Joseph F. Duncan, and others, and the notice invites all to "Come and hear the truth about the comb works." It goes on to say: "Support the workers in the fight they are making for tolerable conditions and reasonable wages." That is the condition of the labor element, Mr. President, in Aberdeen, against which the American workman is invited to enter into competition.

I have a letter here from Mr. John Walton, of the firm of Jacob W. Walton Sons, at the head of the horn-comb industry in Philadelphia, with a copy of a brief which he filed with the Ways and Means Committee of the House. I ask to have the letter and the brief incorporated in the RECORD, if there is no objection.

The VICE PRESIDENT. Without objection, that will be done.

The matter referred to is as follows:

JACOB W. WALTON SONS,  
Frankford, Philadelphia, April 14, 1913.

HON. BOIES PENROSE,  
Washington, D. C.

MY DEAR SIR: Below I submit some statements of the effect of the change of duty on horn combs from 50 per cent to 25 per cent ad valorem. If given opportunity, I can prove the truthfulness of each statement.

1. No advantage to consumer.
2. No advantage to workingmen.
3. No advantage to Government.
4. Severe blow to manufacturers.
5. Advantage only to foreign manufacturers.
1. Horn combs in large proportion retail at 5 and 10 cents, and this will not be changed by the new proposed duty.
- No advantage to consumer.
2. To meet foreign competition employees will either be required to accept lower wages or loss of occupation.
- No advantage to workingmen.
3. Unless the American manufacturers are utterly unable by cheapened methods and lowered wages to meet the competition of foreign manufacturers and are driven from the field altogether, there will be slight increase in the custom receipts.
- No advantage to Government.
4. The various firms engaged in comb manufacturing have been established from 30 to 60 years, all men of respectability, standing well in their communities. They have all been industrious and inventive and devoted to their business; and have none acquired wealth out of the business. In most cases their all is invested in the business, and their income depends on profit in manufacturing.
- A severe blow to manufacturers.
5. The only profit we can discover in the change of duty will be an increase of profit to importers who handle foreign goods due to enlarged purchases and the foreign manufacturers who are waiting eagerly for the final decision on this duty and are looking forward to greatly increased sales of their manufactures in this country, all of this increase displacing goods made by American workmen, any trade that may be retained being under very severe destructive competition.
- Advantage only to foreign manufacturers.

Very truly, yours,

JOHN WALTON.

NEWBURYPORT, MASS., April 12, 1913.

HON. OSCAR W. UNDERWOOD,

Chairman Ways and Means Committee.

DEAR SIR: We have just learned with great surprise that your committee proposes to cut the duty on horn combs squarely in halves.

The announced purpose of the Democratic Party has been to revise the tariff along the following lines:

- First. To insure effective competition.
- Second. Not to injure business.

If these principles are carried out no one can have any reasonable ground for objection.

We appreciate the difficulty of a committee in trying to understand the facts and the special circumstances which affect any industry, particularly when it is called upon to adjust so many items in so short a time.

Full information is on file with the committee. We wish, however, to again call your attention to the facts on horn combs, bearing on the above principles.

First. Competition: Under the present rate of 50 per cent the imports of horn combs for fiscal years 1911 and 1912 (see official figures of Department of Commerce and Labor) have averaged \$143,000 duty paid. The estimated average United States production for the same time is \$550,000, making a total of \$693,000. The foreign combs therefore comprise slightly more than 20 per cent of the total consumption under the present tariff, and we submit this clearly shows that effective competition already exists.

Second. Injury to business: Under these conditions it must be clear that when competition to this extent is possible with a duty of 50 per cent a reduction of one-half in the duty would place the industry absolutely at the mercy of the foreign manufacturer.

The labor cost in horn combs is a very large per cent of the total cost, and as the Scotch, German, and Italian workers receive only about 40 per cent of the American wage, and are not hampered by short working hours, a liberal measure of protection is absolutely essential.

If the committee had cut the duty one-fourth, or to 37½ per cent, we would, under the existing circumstances, have "taken our medicine" with the best grace possible, but a cut of one-half is destructive.

Allow us to call your attention to the following quotation from the address of President Wilson on the tariff at the opening of the special session of Congress:

"It would be unwise to move toward this end headlong, with reckless haste, or with strokes that cut at the very roots of what has grown up amongst us by long process."

"It does not alter a thing to upset it and break it and deprive it of a chance to change. It destroys it. We must make changes in our laws, whose object is development, a more free and wholesome development, not revolution or upset or confusion."

Have we not every right therefore to assume that this was an honest statement, and that the tariff measure would conform to the principles thus stated?

We appeal to your sense of justice and to your sense of honor to "make the performance square with the facts," and ask that you modify the schedule on horn combs so that the industry will have a fighting chance and not be destroyed.

To men who have given 30 to 40 years of hard work to the business and whose property is largely tied up in the industry, the proposed duty of 25 per cent is heartbreaking.

Very truly, yours,

GEO. RICHARDSON CO.  
W. H. NOYES & BRO. CO.

Mr. PENROSE. I took a particular interest in this industry four years ago, and with the help of the senior Senator from Massachusetts [Mr. LODGE] we were enabled to have what has proved to be an adequate duty inserted in the Payne bill. During the four years in which the industry has enjoyed the pro-

tection of that duty it has flourished in a reasonable way. A very large number of combs are imported.

It seems to me that this little industry, which will undoubtedly be stricken down when this bill becomes a law, is furnishing as good an illustration as is possible of the unnecessary and wanton effects of the pending tariff bill in many respects.

It is absolutely impossible to see how the American consumer can be benefited to the least extent. There is in the whole tariff bill no greater contrast between the low-grade conditions of labor abroad and the happier conditions of labor in the United States than is exhibited in this industry.

I have here, Mr. President, some copies of briefs heretofore filed by the gentlemen representing this industry, together with some affidavits as to labor cost and other facts pertaining to the industry. I will ask to have these statements also incorporated in the RECORD.

The VICE PRESIDENT. Without objection, that will be done.

The matter referred to is as follows:

JACOB W. WALTON SONS,  
Frankford, Philadelphia, July 13, 1913.

Hon. BOIES PENROSE, Washington, D. C.

MY DEAR SIR: I send you herewith a copy of our printed brief and also copy of the typewritten brief which was placed in the hands of the Finance Committee chairman and of which I think I sent you one copy before. You will find on the first page of either of these papers a synopsis which will refresh your memory, I think, on the whole subject.

In addition to these papers I desire to state several facts. First, the experience of the horn-comb manufacturers during the past year has been that, though we have a duty of 50 per cent, the importations of the foreign comb manufacturers have kept prices of horn combs down to the point where our factories have been compelled to run practically with no profits. Our own concern in Frankford, Philadelphia, has scarcely paid the living expenses of the firm let alone interest on investment or other earnings. We can not possibly see how, with the reduction of duty, it will be possible to continue the business against foreign competition.

To refresh your memory, allow me to refer to the following facts: Prior to the last Congress, when the Payne-Aldrich bill was passed, the foreign horn-comb manufacturers had just begun for a few years to engage in aggressive competition with the horn-comb manufacturers of this country. They did not make the styles we used. They did not understand our market, and as a consequence under the old 30 per cent duty in the Dingley bill their competition was not seriously felt. When, however, about six or seven years ago they sent their agents into this country to study the market, and in some instances had opportunity of studying our methods they took home with them samples of the best selling goods in this country and at once began to undersell us on our own distinctive lines. This they were enabled to do, because the cost of labor in horn combs is quite large and the cost of their labor compared to ours in much less than one-third.

It is sometimes said "that the workmen in these foreign countries are not as efficient as the American workmen." If that were true, our troubles would not be so great; but unfortunately those who work in the comb shops in Aberdeen, Scotland, and other competing countries are men, women, and boys who are thoroughly trained in this particular industry, and because of the necessity to work hard in order to earn their low rate of wages they become very quick and efficient workmen. This we know not by hearsay, but because in the last several years there have come to our factory men who had worked in the Aberdeen shops seeking employment, and we have found them very efficient workmen.

According to the newspapers from Scotland, there is at present a strike on in the comb factories, asking for an increase of 15 per cent in wages, the granting of which seems to us to be remote, and on this subject we inclose you a letter from our New York agents. If, however, they would grant this full increase in wages of 15 per cent, it would not raise the wage of the foreign workmen to much above 33½ per cent of our wage rate.

In view of the fact that whatever the price of the combs may be, the great mass of them are sold at 10 cents apiece, and therefore the ultimate consumer gets no benefit; and also that if there is an increase of importations, it surely throws just so many workmen out of employment, and that in all probability it would utterly destroy the industry before there would be any appreciable gain in revenue to the Government, we can not understand why the change should be made.

If necessary to reduce the duty, why could they not at least give us 37½ per cent, under which rate we might possibly continue in business, though without any profits?

If it will be of any avail, I shall be glad to go to Washington at any time at your suggestion and will see anyone you may desire me to in order to help this matter on.

Thanking you for your many favors, I remain,

Very truly, yours,

JOHN WALTON.

#### SYNOPSIS OF BRIEF.

Subject: Horn combs, made from cattle horn and used for hair dressing.

Schedule N: Paragraph 463, last clause.

Present duty of 50 per cent ad valorem advanced in the last bill from 30 per cent for reasons given in briefs presented to the Sixty-first Congress, extracts of which are attached herewith (pp. 1 and 2):

(1) This advance was based on the difference of cost of labor. (See pp. 3, 4, and 5.)

(2) The aggressive competition of foreign manufacturers made possible by their low rate of wages. (See p. 6.)

(3) The fact that most of our goods are sold in this country at either 5 or 10 cents, so that a change of duty would have no effect on the consumer. (See p. 7.)

As proof that this advance was justified and should be maintained, we submit the following:

1. Since the change there has been no advance in prices of horn combs by the domestic manufacturers.

2. The importation of foreign combs has continued large. (See p. 8.)

3. The horn-comb business is affected by sharp competition both at home and from the foreign manufacturers. (See p. 9.)

In view of the fact that the duty of 50 per cent ad valorem did not make possible an advance in prices, and the further fact that we have a steadily rising scale of wages since the last tariff bill, and the further fact that according to all advices we receive there has not been any advance in foreign wage scale, we feel justified in urging that the present duty shall not be changed.

EXTRACT FROM BRIEFS SUBMITTED TO PREVIOUS COMMITTEE ON WAYS AND MEANS.

Horn combs are made of cattle horns, and some years ago the production in this country supplied us with all our raw material at a moderate price; but owing to the breeding of short-horn cattle and the process of dehorning, the quantity and quality of American horns have fallen so low that it has been necessary for some years for American manufacturers to buy a large part of their material in European markets where the foreign manufacturers have the advantage of being on the ground.

The product of the foreign comb manufacturers has always found a market in this country, but under present conditions there is an increase in the number of sizes and styles, many of them copies of our makes, which enter our market and drive out the domestic goods. This competition is more keen and difficult to meet each year, particularly in view of the fact that the scale of wages we are required to pay has advanced.

A very considerable item of comb imports consists of fine handmade combs, which sell in all the department stores and among the dealers in better goods. Some of these goods manufactured in France are made in a manner that we could not presume to have sufficient tariff to enable us to compete. In these goods the item of hand labor figures very largely. While in France, in 1904, I was informed by horn brokers and other men familiar with the business that it is the custom of the large manufacturers to prepare the horn stock up to a certain point and then farm it out to families, who take the work home and there put upon it the fine hand labor which produces the superior article. For this work the families, consisting of father, mother, and several children—sometimes five or six—receive the equivalent of about \$5 for a full week's work. This statement had previously been made to me by Frenchmen in this country who were familiar with the comb industry in France.

There is also a line of very cheap combs coming here from Italy, Scotland, and the Netherlands, which we can hardly expect to compete with. Among these are pocket combs in cases, which are delivered in New York for \$1.25 per gross, duty paid, or of a line of fine-teeth combs at ridiculously low prices.

While thousands of dollars of these goods are continually shipped here, we do not advocate such protection as would give the American manufacturers a monopoly in this market.

The burden of our plea is that the tariff should be high enough to enable the American manufacturer, paying decent wages to workmen, to make reasonable profits and retain the market which legitimately belongs to them.

While there has been a large increase in the consumption of horn combs in this country, the industry has not advanced correspondingly. The decline in the cleared horn line of dressing and fine-teeth combs is particularly marked, the foreign manufacturers having this field practically to themselves, although most of our factories are equipped for the work, and if it were possible to compete could give employment to a goodly number of workmen.

If a change were made in the tariff schedule, either lowering or increasing the rate, it would not change the price of the combs to the consumer, except in a limited group of the article. The price that is charged for the comb at retail in this country for probably 75 per cent of the combs sold is 10 cents. The only effect of lowering the duty would be to enrich the dealer at the expense of the manufacturer and by the increase of importations reduce the output of our factories, which would result in the employment of less workmen and possibly the retirement of the industry, in which case the foreigner would undoubtedly increase his prices to this market.

On the other hand, an increase of duty would not increase the price to consumers, the revenue to the Government would probably not be materially diminished, and there would be an enlargement of the industry, which would give employment to more American labor.

Mr. James W. De Graff, representing the Noyes Comb Co., of Binghamton, N. Y., writes:

"About 15 years ago there were 11 horn-comb factories in this country, and to-day there are about 4, as the inadequate duty of 30 per cent does not allow the American manufacturer sufficient protection to enable him to compete with the low wages paid in Aberdeen, Scotland, and in Germany.

"Most of the importations into this country come from one horn-comb works in Aberdeen, Scotland. Our factory obtained a United States patent on a metal-back comb, where the backs extended over the ends, forming the end teeth, which patent expired a number of years ago, and the fair market value for this article is \$7.25 net; but the competing comb offered by the Aberdeen Comb Works can now be landed in New York City, freight and duty paid, for \$5.70; and beg to say that this comb can not be made in America to meet the foreign price mentioned above. Taking 100 as a unit, the wages amount to 45 per cent and a superintendent's charge of 5 per cent. Notwithstanding the fact that foreign combs are brought into this market at the price mentioned above, the consumer pays exactly the same price at retail for his goods as he does for ours, as the comb can not be retailed for 5 cents, and is universally sold at 10 cents, so that the difference in cost to the wholesale merchant is absorbed by him and the retailer at the expense of American labor.

"The wage scale in the Aberdeen Comb Works, Scotland, of which we have positive information, as per attached sworn affidavit, is as follows: Managers receive salaries not exceeding \$15 per week; foremen, from \$6 to \$7.50 per week; the best workmen, from \$4 to \$6.50 per week. Women earn an average of from \$2 to \$3, and boys, who must be 14 years old, start at \$1 per week, and they receive this rate for a considerable period.

"As comb making is not considered a man's work in Scotland, outside of manager, foremen, machinists, and a few men for very hard work, the larger proportion of employees are women and minors.

"On the contrary, our labor is principally men, whose wages are about four times as large as the women who do similar work, and the boys employed by us receive at least four times as much as boys abroad.

"A conservative estimate of the relative amount of the labor cost as between the foreign and domestic manufacturers is that the foreign wages for the same amount of labor would be less than 33½ per cent of the American wage cost. These figures relate particularly to Scotland, and are well within the facts. In other countries the rates would probably be lower."

## COPY OF AFFIDAVIT.

FRANKFORD, PHILADELPHIA, PA., December 31, 1908.

I, John Rogers, of 4151 Paul Street, Frankford, Philadelphia, Pa., was in the employ of the Aberdeen Comb Works Co., Aberdeen, Scotland, for 42 years. During this time I worked in the various departments, and for a number of years I was employed as a foreman.

The rates of wages paid by this firm at the time my employment with the said firm ceased were as follows:

Managers, average wages not over 60s., or about \$15 per week.  
Foremen, average wages not over 25s. to 30s., or about \$6 to \$7.50 per week.

Men, average wages not over 16s. to 27s., or about \$4 to \$6.50 per week.

Women, average wages not over 8s. to 12s., or about \$2 to \$3 per week.

Boys, average wages not over 4s. to 5s., or about \$1 to \$2 per week, this latter rate gradually increasing as the boys reach manhood.

I have been in constant correspondence since I left Aberdeen with employees of the comb works, who are my old friends and neighbors, and I am sure that rates have not advanced, but rather have decreased since that time.

JOHN R. ROGERS.

John Rogers, being duly sworn according to law, deposes and says that the facts set forth in the above statement, to which he has attached his signature, are true to the best of his knowledge and belief.

JOHN R. ROGERS.

Sworn and subscribed to before me this 31st day of December, 1908.  
[SEAL.] THOS. B. FOULKROB,

Notary Public.

(Commission expires January 27, 1909.)

G. W. Richardson Co. and Wm. H. Noyes & Bro. Co., of Newburyport, Mass., write as follows:

"This industry is principally carried on in the States of Massachusetts, Pennsylvania, and New York, and although the various parties engaged in same have given strict attention to the details of the business and have been energetic and ingenious in inventing labor-saving devices, the business has not kept pace with the growth of the country.

"This is largely due, in our opinion, to the strong competition of the foreign manufacturers, notably those of Great Britain, France, Italy, and the Netherlands, who are sending large quantities of combs to this country and underselling us, notwithstanding the present duty.

"We consider that the low wage scale and also low cost of supplies abroad is the secret of their ability to do this, and the cost of the above items is fully 50 per cent of the total cost.

"The supplementary brief recently submitted by Mr. Walton gives facts in relation to the wage scale in Scotland which are of great importance when considering what is a fair measure of protection, and we call your especial attention to same.

"As women perform much of the heavy work in Scotland, for which we employ men at a rate of \$10.50 to \$13.50 per week, it is clear to us that the total labor cost in Aberdeen would not exceed 80 to 33½ per cent of what it is in this country.

"One of our principal items is a 7-inch metal-guard tooth comb, with a metal back of nicolene. This comb has been copied by the Aberdeen people and is now sold in this country by them at \$5.70 per gross, duty and freight paid.

"A fair price for this is from \$7 to \$7.50 per gross. The comb retails at 10 cents.

## "ILLUSTRATION.

"On the basis on cost prices in Scotland a tariff of 50 per cent would merely meet the difference in wages alone on the class of combs in general use in this country.

"As stated by us in the briefs submitted to the Ways and Means Committee and printed in their Tariff Hearings, No. 36 (pp. 5395-5397), and in No. 47 (pp. 7075-7077), the proportion of labor cost in the medium goods (most commonly used) of horn combs in America, is about 50 per cent of the total cost.

Take a comb that will cost in America, as example, say, per gross.....	\$6.00
The labor cost would be 50 per cent.....	\$3.00
The labor on same article in Scotland.....	1.00

Which would give advantage to foreigner of.....	2.00
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And make their cost only.....	4.00
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To equal the American cost we must add 50 per cent.....	2.00
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6.00

"You will note that this relates to the medium grade of goods, which are made with considerable machinery; but for high-priced goods, which require more handwork, this percentage would be inadequate."

While formerly the foreign manufacturers confined themselves to the peculiar styles of their own countries which were salable here only in limited quantities for perhaps a decade, they have made a careful study of our market and methods of manufacture, and have gradually imitated our largest sellers and, though their product is still somewhat crude, have made great inroads on the business of American manufacturers. This, of course, is only made possible by the low wage rate they pay.

In one style of comb, known in the market as the metal end tooth comb, a comb with a nicolene (nickel-plated zinc) back and end teeth, which material they purchase lower in Europe than we can buy it here, their competition has been especially keen.

The factory of the Aberdeen Comb Co., Aberdeen, Scotland, which is a combination of the factories of Great Britain, and in this country would be denominated a trust, is especially active and determined to capture the American market.

The custom now firmly entrenched in the United States, and very largely brought about by the syndicate stores, of selling small wares at 5 or 10 cents has a determining influence on the prices the comb manufacturers can get for their goods. Except for a few styles especially well made and sold in limited quantities to a select trade, it would be suicidal for us to attempt to ask prices that would not permit the goods to be retailed at 10 cents.

Owing to this trade condition a change of duty either upward or downward would have no effect upon the consumer.

In Europe we found the prices at retail varied very much, running from the equivalent of our 5 cents up to a franc (20 cents) and shilling (about 25 cents), and in most instances, especially in the cheaper combs, the retail prices are equal to our American prices.

From these facts we can fairly assume were the American driven out of business from lack of sufficient duty to meet wage differences, it would not be long before the foreign prices would be advanced, and the

consumer here be compelled to buy inferior goods for 5 to 10 cents, or pay higher prices.

The importations of horn combs have been quite large.

According to reports of the Department of Commerce and Labor, which were handed to the writer, the importations were as follows:

Duty paid year ending June 30, 1911.....	\$155,265
Duty paid year ending June 30, 1912.....	130,272

During the latter years domestic manufactures were reduced in their sales in about the same proportion. These figures would indicate imports in excess of 25 per cent of the domestic manufactures, which clearly indicates that the present rate of duty is by no means prohibitive.

Owing to the fact that horn combs were not classified in previous tariff bills, but were imported under the general head of the "Manufactures of horn," which included many other articles, it is impossible for a comparison with former years to be made with any accuracy. We are inclined to believe, however, that because in the particular combs which sell most largely the foreign manufacturers lowered their prices sufficiently to meet the difference in the rate of duty the sales have been approximately as large.

The equipment of the horn-comb manufacturers for a number of years back, while it has not been materially increased, is sufficient to produce an excess of production, and each manufacturer is necessarily seeking more business continually. Of course the effect of this is to produce sharp competition; sometimes it takes the form of improved quality, and at other times is a question of price, so that at home we have competition that would prevent any serious advance in prices. In view, however, of the large imports, and the fact that our foreign competitors are aggressive, the American manufacturer is compelled to sell as cheaply as possible in order to maintain business enough to keep the factories going.

The countries from which we find competition, all of which have the low wage scale, are Great Britain, France, Germany, and Italy.

The Aberdeen Comb Co., of Aberdeen, Scotland, who are especially aggressive, and are making very strenuous efforts to capture the trade of this country, and who imitate our goods more than the others, are the sharpest competitors we have from foreign sources.

Some years ago all of the important horn-comb factories in Great Britain formed a consolidation which would be denominated a trust if located in this country.

In view of all these facts which show that our present duty is not prohibitive, that the consumer is not overcharged, and that a change of duty could not benefit the consumer, but would injure the industry very seriously, compelling either loss of occupation or lower wages to the workman, we trust that the present duty will be retained.

Mr. PENROSE. Mr. President, of one thing I am certain, that the enactment of this paragraph into law means the shutting down of this industry in Philadelphia and in Massachusetts without benefiting any man, woman, or child in the whole United States.

The SECRETARY. On page 120, paragraph 386 was passed over.

The committee proposes to strike out the paragraph as printed in the House text and to insert a new paragraph, as follows:

386. Paintings in oil or water colors, engravings, etchings, pastels, drawings, and sketches, in pen and ink or pencil or water colors, and sculptures not specially provided for in this section, 25 per cent ad valorem, but the term "sculptures" as used in this paragraph shall be understood to include only such as are cut, carved, or otherwise wrought by hand from a solid block or mass of marble, stone, or alabaster, or from metal, and that are the professional productions of a sculptor only, and the term "painting" as used in this paragraph shall be understood not to include such as are made wholly or in part by stenciling or other mechanical process.

Mr. LODGE. This amendment is interwoven with the one in the free list, and properly they would have to be taken up together.

Mr. SIMMONS. The committee have amendments that may possibly reach some of the objections of the Senator.

Mr. LODGE. I would be very glad to hear them stated.

Mr. SIMMONS. The amendments will be submitted by the Senator from New Jersey.

Mr. HUGHES. I am instructed by the committee to offer an amendment. In line 4, on page 120, the first line of the paragraph, I move to strike out the word "engravings."

The amendment to the amendment was agreed to.

Mr. HUGHES. In line 5, I move to strike out the word "etchings" and the comma.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The question is on agreeing to the amendment as amended.

Mr. BRANDEGEE. Is that the entire amendment made to the amendment, I ask the Senator?

Mr. HUGHES. Yes; that is the entire amendment to the amendment.

Mr. LODGE. Those are the only changes?

Mr. HUGHES. The only changes.

Mr. LODGE. I am very glad that change has been made and that engravings and etchings have been put back where they have always been. They are on the free list in the existing law.

Mr. SMOOT. By striking them out of paragraph 386 they fall back into paragraph 337 at 15 per cent.

Mr. LODGE. Under what paragraph did the Senator from Utah say they will now come?

Mr. SMOOT. Paragraph 337, which provides:

Blank books, slate books and pamphlets, engravings, photographs, etchings, maps, charts, music in books or sheets, and printed matter, all the foregoing, wholly or in chief value of paper, and not specially provided for in this section, 15 per cent ad valorem.

Mr. LODGE. It puts them in that paragraph with a duty of 15 per cent.

Mr. SMOOT. Yes; it puts them back into paragraph 337.

Mr. LODGE. Under the existing law they are on the free list. In the paragraph where engravings or etchings are now placed, as I understand, in paragraph 337, page 104, it is provided:

Blank books, slate books and pamphlets, engravings, photographs, etchings, maps, charts, music in books or sheets, and printed matter, all the foregoing, wholly or in chief value of paper, and not specially provided for in this section, 15 per cent ad valorem.

The chief value of an engraving or an etching is not the paper; it is the marks on the paper made by the artist who etched or engraved the plate. It seems to me little short of absurd to put engravings or etchings in that paragraph and put a duty on them because they consist "wholly or in chief value of paper."

Mr. BRANDEGEE. What would be the price of that etching?

Mr. LODGE. Of course, the paper is practically of no value. The whole value of the etching is in the etching and the whole value of the engraving is in the engraving, and here they are classed in the paper schedule with slate books and pamphlets "wholly or in chief value of paper."

Mr. McCUMBER. Mr. President, I should like to ask the Senator from Massachusetts why he objects to the other side of the Chamber maintaining everlasting harmony in this bill?

Mr. LODGE. Why, Mr. President, I do not, as a rule, object to their making the bill in any way they desire; but etchings and engravings are works of art. They have hitherto been free. I feel strongly that it is of very great value to education in this country that etchings and engravings should come in free, as do other works of art. I deplore their being made dutiable. The imposition of a duty on them seems to me a very backward step. As I understand, the House had them under that queer heading at 15 per cent, and the Senate committee has raised the duty to 25 per cent. I wish they could be put back to their old place.

Mr. BRANDEGEE. Mr. President, I do not want to interrupt the Senator, if he objects—

Mr. LODGE. It does not interrupt me at all.

Mr. BRANDEGEE. I was going to ask the Senator if he did not think that this language which he is criticizing would place them on the free list unless the chief value of them was in the paper of which they are composed?

Mr. LODGE. If that is the case, this puts them back on the free list.

Mr. BRANDEGEE. I am not sure what it does; but I wanted to suggest to the Senator that unless an engraving was wholly or in chief value of the paper in its composition it would not seem to be provided for.

Mr. JOHNSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Maine?

Mr. LODGE. I do.

Mr. JOHNSON. If the Senator will yield to me, I desire to make a motion to amend. In paragraph 337, page 104, line 16, after the word "foregoing," I move to strike out the words "wholly or in chief value of paper" and the word "and," at the beginning of line 17.

Mr. LODGE. Mr. President, before the Senator enters on that amendment, I wish to say that the arrangement about these articles is somewhat confused. They appear in the free list with a 50-year limitation, as I understand; that is, all etchings and engravings more than 50 years old come in free.

Mr. SMOOT. There is also a limitation as to certain institutions.

Mr. LODGE. This paragraph would cover, if I am right, etchings and engravings less than 50 years old whose chief value is paper.

Mr. SIMMONS. The Senator from Maine [Mr. JOHNSON] has just moved to strike out those words.

Mr. LODGE. I understand that; but that will leave the duty on them at 15 per cent, while they are now on the free list, as I understand.

Mr. President, I am glad that so much has been done for engravings and etchings—that they have been freed from a duty of 25 per cent—but I regret the increase that has been made over the House rate, which, I believe, is a repetition of the present law, if I remember rightly. I regret still more the extension of the term to 50 years, but that comes up more naturally in connection with the free list; so I shall not detain the Senate further at this point than to say that I think it is a great pity to increase the duty on paintings and sculpture. I think it is to the interest of the whole country that the duties on articles of this character, if they are to be made dutiable, should be very low. Art museums, which are established for the pleasure and benefit of the general public, are springing up

all over the country from Texas to Maine. They are places of great resort and great pleasure to the people of every town where they are located.

The paintings that are brought in by private individuals are sure to find their way sooner or later to those public museums. Of course, I am aware that public museums can bring these articles in free now, but I think it is a great mistake in public policy to increase the duty on works of art. I wish that this amendment could be defeated and that the House rate could remain.

Mr. JOHNSON. I find on referring to paragraph 416 of the present law that engravings and etchings are made dutiable at 25 per cent ad valorem, and the same language is used in the present law as is used in the pending measure, namely, "all the foregoing, wholly or in chief value of paper." I have moved to strike out those words. We simply followed the existing law in that particular. Under paragraph 337 of the pending bill these articles will be dutiable at 15 per cent.

Mr. LODGE. It was the repetition of a very foolish description, I think, to apply to etchings and engravings.

Mr. JOHNSON. I fully agree with the Senator. It seems to me the amendment which has been offered is necessary.

Mr. LODGE. I think so.

Mr. JOHNSON. The value is not in the paper, of course; it is in the skill of the artist or workman.

Mr. LODGE. I am one of those who were responsible for that law, and I am free to say that that was a piece of folly that I did not know was in it.

Mr. THOMAS. That is not the worst piece of folly in it.

Mr. ROOT. May I suggest to the Senator from Maine that striking out those words from paragraph 337, which corresponds to paragraph 416 of the old law, might involve some difficulty regarding the other articles enumerated in the section. If there were nothing but engravings and etchings, it would be quite simple, but paragraph 337 covers "blank books, slate books, and pamphlets, engravings, photographs, etchings, maps, charts, music in books or sheets, and printed matter."

The limitation "wholly or in chief value of paper," I suppose, would bear a pretty important relation to a good many articles. For instance, a bound book comes in. That book might be classified quite differently, according as the chief value is in the binding or the chief value is in the paper. A book may come in which has a certain amount of engraving, little vignettes or engraved title pages or incidental engravings or etchings.

Mr. JOHNSON. I suggest to the Senator from New York that the words to which he refers would not apply to books, because that part of the paragraph which relates to books is cut off by a semicolon. The qualifying words "wholly or in chief value of paper" relate only to "blank books, slate books, and pamphlets, engravings, photographs, etchings, maps, charts, music in books or sheets, and printed matter." It seems to me the criticism made by the Senator from Massachusetts as to engravings and etchings would apply to music in sheets. The value would not be in the paper, but must be in the music and in the skill and art of the composer, and as to a map or a chart that would also be true.

Mr. ROOT. Still there are many things in the paragraph which are subject to the suggestion which I have made.

Mr. JOHNSON. The blank books and slate books—

Mr. ROOT. Pamphlets—

Mr. JOHNSON. And possibly pamphlets.

Mr. ROOT. And possibly maps and charts.

Mr. JOHNSON. It seems to me that with respect to a pamphlet it would be the written matter, the thought of the author, which gives it value and not the paper upon which his thoughts are printed.

Mr. ROOT. That may be, but not necessarily so. I know there is a practical line of distinction in the application of the customs laws on account of these words. Although my memory about it is very vague, I know it exists, and I think the Senator had better not strike out those words now on the floor without further consideration.

Mr. JOHNSON. I shall be very glad to take the suggestion of the Senator and pass the paragraph over.

Mr. ROOT. It is perfectly clear that the chief value of an etching, an engraving, a map, or a chart can not be in the paper on which it is printed. The limitation "wholly or in chief value of paper" could be taken away from etchings, engravings, maps, and charts and applied to blank books, slate books, and pamphlets.

Mr. JOHNSON. I suggest that the amendment may be adopted. Then we can look into it, and, if necessary, recur to it again.

Mr. ROOT. Certainly; the Senator could rephrase it in a few moments so as to make it meet those objections.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended on page 120, paragraph 386.

The amendment as amended was agreed to.

The SECRETARY. The next amendment passed over is on page 124, paragraph 403½, alizarin, etc.

Mr. SMOOT. In that paragraph, in line 20, I move that the comma between "alizarin" and "anthracene" be stricken out.

Mr. LODGE. What has become of paragraph 386 and the amendment to it? We have suddenly changed the subject to anthracene.

The VICE PRESIDENT. The amendment was agreed to as amended.

Mr. LODGE. I did not hear the question put.

Mr. ROOT. Mr. President, the agreement to the amendment in paragraph 386 was made through my own inadvertence without my observing it. I should be glad to have put in the RECORD an expression of my strong desire that the duty upon works of art should not be increased. I sincerely hope that in conference the House—

Mr. SIMMONS. I will state to the Senator from New York that we have not been able to hear what he has said over here because of the confusion.

Mr. ROOT. I was expressing a very strong desire that the duty on works of art should not be increased. I think the importation of all the things which are enumerated in this section and which were to be admitted under the House provision at 15 per cent ad valorem, the duty on which is raised by the Senate committee amendment to 25 per cent ad valorem, contributes materially and generally to the happiness and improvement of our people. I think it is a great mistake to increase the duty upon them. The way in which paintings and sculptures get into our museums is by reason of their having come to this side of the Atlantic. They do not stay here very long before they find their way into the places where all of our people can see them, and there are millions of people who themselves can not afford to have works of art who in all of our important cities have an opportunity to see them. I think it is a great pity that we should take a step backward, and I am sorry to see the Senate do so.

Mr. THOMAS. Mr. President, this paragraph has brought into discussion the action of the committee in reference to works of art somewhat prematurely, but perhaps it is as well here as at any other time that I should express my views upon that subject, inasmuch as it is directly connected with paragraph 386.

The committee placed certain works of art upon the dutiable list after full consideration and much disagreement, and provided that they should be free listed under certain circumstances, which are enumerated in paragraphs 657, 658, and 659, as I remember, and which, when complied with, will produce all of the good consequences which are predicated of free listing all works of art, as that term is understood.

There is no question about the educational value of all works of art. There can be no dispute about the fact that in proportion to the extent to which they can be enjoyed and viewed by the public they should be made as free as possible. They appeal to the best that is in human nature among all classes and conditions of men. The desire to have them freely exposed to the public view, thus being practically the property of all men, through their privilege of seeing them at all times, is perfectly natural. But we know that a great many of the most valuable paintings, statuary, antiquities, and other works of art are acquired at enormous prices and brought to this country by many of our very wealthy people for their private collections, immured from all public inspection, and restricted to themselves and to their immediate friends and admirers as something acquired to satisfy a taste or a fad, and to which the public are denied all access.

The prices which are paid for these articles are of secondary importance to those desiring and able to buy them. The fact that they are in the possession of these people is of itself a sufficient gratification of the purpose for which they have been secured. In other words, they are acquired for just the same reasons that beautiful carpets, furniture, and other decorations of the houses and palaces of the very wealthy are acquired.

It is true that in many instances, perhaps in most of them, these collections ultimately reach public institutions, art galleries, and other places for public exhibition and to which all have access. It is true, also, that they are frequently acquired directly by these institutions, and thus go to them at once, in which event there is no duty or the duty is refunded. The theory upon which these paragraphs were finally agreed upon by the committee is, as far as possible, to make these works of art public property and to do away, if possible, with, by discouraging the custom, making private collections of them, in

which event they disappear from the galleries of the Old World and are immune to all but the few after they reach our shores.

Personally, I consider it a great misfortune that any of the great works of art, justly celebrated in all ages and everywhere, should become the private property of any individual or individuals; because just in proportion as they are so acquired and pass into private collections, just in that proportion does the public suffer, and just in that proportion is it deprived of something to which it is not only entitled, but to which these articles are almost a necessity.

We have provided that whenever any work of art or any collection of paintings, statuary, or similar articles, within a period of five years after the time the work or the collection may be secured, are either given or sold or otherwise transferred to any public institution whose doors are open to the public without charge for at least four days a week for eight months in the year the duties which this bill place upon these articles when purchased will be refunded, and when purchased directly by or for these institutions they are admitted duty free. In other words, if an individual to-day obtaining possession, at whatever price, of a painting, a piece of sculpture, or other work of art either presents or sells it to any such public collection or public institution the amount of the duty which has been paid is refunded. We offer, as far as we can, a premium to the liberal spirit—the public spirit, if you please—of those whose means enable them to acquire and to become the owners of these valuable collections and who may desire to become public benefactors as well. Hence, art is not penalized so long as publicity with reference to its objects becomes possible. But wherever these articles are to be secured and collected simply as a matter of personal pride or vanity or self-gratification, and then segregated, so to speak, from the public gaze, I do not know of any principle which justifies the nation that such acquisitions should be permitted without the imposition of a duty, thereby giving a revenue to the Government.

Senators on the other side have bitterly opposed many of the provisions of this measure affecting the various necessities of life, and have tearfully prophesied disaster to certain industries dealing in commodities that are essential to human existence because we propose to relieve them of duty. Now, when we come to articles, in so far as private ownership is concerned, which are absolutely luxuries in their nature, the same gentlemen as tearfully protest, and insist that we are practically levying a tribute upon a means of public education, diverting and perverting the power of taxation from its legitimate uses and applying it to something that should always be exempt from its operation.

Mr. President, the fad or habit of investing in beautiful and valuable paintings and sculptures and other works of art, both ancient and modern, with little regard to expense, has become so common with a certain class of wealthy Americans that the production of their imitations has become an established and recognized industry in the countries of the Old World. Spurious imitations of every conspicuous and famous work of art known to civilization, and of many that were never heard of, are manufactured on an extensive scale and palmed off upon the careless, the unsuspecting, and the ignorant. These are brought here, and will be brought here, free of duty—if present conditions continue—by the credulous and the ignorant purchaser. So that it is now almost a byword that the average American millionaire, eager for his art collection, invests his hundreds of thousands in pictures and in sculptures, and in other so-called works of art, and may or may not have acquired what he thinks he has obtained.

Shall such spurious products be admitted into this country free of duty? Shall we practically place a premium upon the manufacture and sale of these imitations, upon the theory that the genuine works should be admitted free of duty because they tend to elevate and uplift and idealize all sorts and conditions of men?

The purpose of this duty is to penalize, as far as a revenue tax will do so, that industry, which is constantly growing and will continue to grow so long as the acquisition of works of art simply to gratify the personal vanity of those who obtain them continues to be one of the recognized fashionable and popular methods of spending money in large quantities by rich Americans in Europe.

Wherever and whenever any commodities included within this and the other paragraphs relating to the subject are brought to this country by or for public halls and galleries, and are placed where the public can have access to them, no man, Democrat or Republican, would, I think, care for a moment to discuss, much less to insist upon, the assessment of a duty. As a consequence, we have said or propose to say in this bill that while acquisitions of that sort are to be encouraged and made free, private purchasers shall be required to pay a duty upon

what they may purchase and bring here, and to that extent contribute to the revenues of the Federal Government.

A very distinguished Republican statesman some years ago expressed himself so much better upon this subject than it is possible for me to do, and covered the ground so much more fully than I can be expected to cover it upon the impulse of the moment, that I desire to read an extract from his remarks in the House of Representatives on the 22d day of March, 1897. On that occasion Representative Dingley, of Maine, then chairman of the Committee on Ways and Means, whose name the tariff bill of that year bears, and which bill, like ours, included in the dutiable list this sort of property, said:

Inasmuch as there is some criticism of the committee in transferring paintings and statuary from the free list, where they were placed in 1894, to the dutiable list, except where such articles are imported for an established art gallery which has free days for the public, it is proper that the reasons should be presented for the transfer, for when these reasons are carefully considered the critics will, for the most part, see that the change is necessary to cut off abuses.

The subject was brought to the attention of the committee by the president of the Board of General Appraisers, at New York, who pointed out that under the "free-art" provision, so called, about \$4,000,000 in value of these articles had been imported free of duty, and that not 10 per cent of them had gone into any art gallery or anywhere else that the public could reach them. Generally they had gone into private houses.

Let me digress here for the purpose of suggesting that a similar report upon the same subject made to-day would doubtless disclose a similar discrepancy between the number of these articles brought into this country for private collections and the number which have been placed in public institutions.

Mr. Dingley proceeds—and I commend this to the careful consideration of Senators on both sides of the Chamber:

The committee could see no reason why a millionaire should be able to import free of duty hundreds of thousands of dollars' worth of paintings and statuary for the decoration of his own house—not for the cultivation of the general public taste—while every humble citizen of the country is contributing his part toward the expenses of the Government. Therefore, while still allowing the free importation of art articles, paintings, statuary, etc., for museums or galleries or other institutions where the public may reach them, we have so modified this paragraph as to make other importations dutiable.

So far as articles of this class are, when imported, used in such a way that the public may reap the fruits of them, your committee are perfectly willing that they should be admitted free, but they do not think that in the present exigency of the Treasury such articles should be kept upon the free list when they cease to be public educators of the esthetic tastes of the masses of the people.

Of what value to the public are the great collections of some of the wealthy denizens of the leading cities of this country, immured like prisoners in dungeons in their own private collections, to which no man or woman, save by their gracious permission, can have access? Why should we permit importations of that sort to be made free of duty when we levy large tribute, and must do so, upon everything entering into the affairs and daily transactions and affecting the very existence of a hundred millions of people? It seems to me that if a single commodity can be named that ought to bear a duty, and perhaps a prohibitive duty, it is a great and valuable work of art when purchased and retired from the active world by some wealthy and selfish individual.

Furthermore, it is reported by the administrators of the law that there have been abuses of an extensive character. It is the testimony of the appraisers of the customhouse that under this innocent provision, conceived for an excellent purpose, appropriate within its legitimate sphere, there have been imported, under the guise of paintings, fans, worth from five hundred to a thousand dollars, with painted designs on them. These have been admitted free on the ground that they were paintings for the purpose of cultivating the æsthetic tastes of the people of the country.

Articles like these, which are conspicuous, perhaps, as necessities in public and private social gatherings where turkey trots and similar dances form the chief methods of modern enjoyment, Senators contend that works of art like these, dangling from the waists of women and worth thousands of dollars, must forsooth be permitted to come into this country free of duty as necessities, while bread and meat and other necessities of life go there only over the protests of Senators who are so much concerned about the protection and salvation of the æsthetic tastes and desires of the country.

Now your committee believe that in the present condition of the Treasury all articles which are simply for personal adornment, for personal use, for furnishing the houses of individual citizens—whether these articles be called paintings, statuary, or what not—should pay the same duty as similar articles under other conditions, but that where these articles are to be placed in an institution or art gallery, in order that the people of the country may have free admission to them, at least on some day, for the cultivation of æsthetic tastes, it is entirely appropriate that they should be admitted free; but we believe that such admissions should stop here and should not extend further.

That was both Republican and Democratic doctrine then. It is Democratic doctrine now. Let me read further from Mr. Dingley's speech:

Let me call your attention to the fact that under the provision allowing the free importation of antiquities and souvenirs "antiquity" and "souvenir" establishments have been set up in various parts of

Europe manufacturing furniture in antique form, draperies, and other articles of that kind, and these have been admitted free of duty, while other people are paying duty upon the articles which they chose to import.

It is time that some of these abuses should be cut off. The original intention was all right, but in matters of revenue it is found that when the camel's nose gets into the tent for an appropriate purpose the body sooner or later follows and takes possession of the tent.

The truth of the last sentence is obvious and applicable to every industry to which the principle of protection has been extended.

Rich Americans are called "Johnnies" in art purchases, but the June number of the Strand for this year has an article by F. Frankfort Moore, an English collector, which shows that "art dupes" are not confined to the millionaires of the United States. High art has come to be a most artful dodge throughout the world, and the esthetic taste of the people is everywhere fed upon spurious paintings and fake drawings. It is narrated by Moore that a fine-art dealer sold an early Rubens to an English major for \$30 in the frame. A brother officer called and wanted one just like the other, but to cost no more. The dealer told him it could be arranged, but that he would need a day to get Rubens No. 2. He then said, "If you will take a pair of the same Rubens, I might shade the price." A tradesman bought some "old Dresdens" which a leading English magazine of art catalogued as real "Dresden gems." The pictures got into court under some process and every one of them was proven spurious. It may be that the tradesman recouped his loss by working them off on rich Americans, and that they were admitted duty free under the spurious guise of educating the public taste.

But, Mr. President, the hour of 6 o'clock has arrived, and I shall not detain the Senate by a further discussion of the subject. Suffice it to say that the matter has been fully considered and disposed of along the line of the Dingley bill. Where we find a precedent from any source which addresses itself to our sound judgment we accept it, and we have accepted that part of the Dingley bill which declares that art shall be free when it is free in fact, but that it shall be dutiable when the subjects to which it relates are simply garnered as a means of gratifying the vanity and the ostentation of the idle rich.

The VICE PRESIDENT. The question is on the amendment proposed to paragraph 403, to strike out the comma.

Mr. SMOOT. I should like to have the paragraph passed over until to-morrow, because I have another amendment to follow that. It is now after 6 o'clock.

Mr. SIMMONS. I ask that the bill be laid aside for the day.

The VICE PRESIDENT. The bill will go over.

#### EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes of executive session the doors were reopened, and (at 6 o'clock and 6 minutes p. m.) the Senate adjourned until to-morrow, Thursday, September 4, 1913, at 11 o'clock a. m.

#### CONFIRMATIONS.

*Executive nominations confirmed by the Senate September 3, 1913.*

##### POSTMASTERS.

##### COLORADO.

M. J. Brennan, Leadville.  
William A. White, Holyoke.

##### ILLINOIS.

John H. McGrath, Morris.

##### MISSISSIPPI.

R. L. Broadstreet, Coffeeville.

##### WASHINGTON.

George P. Wall, Winlock.

## HOUSE OF REPRESENTATIVES.

WEDNESDAY, September 3, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou, who art the All in All, the Alpha and Omega, our God, and our Father, in whom are life, truth, justice, mercy, love; Thou knowest the beginning and the end.

"Behold! we know not anything;

We can but trust that good shall fall

At last—far off—at last, to all,

And every winter change to spring."

Sometimes we stumble and fall, but that is proof of strength. Sometimes we doubt, but that is the evidence of faith. Sometimes we despair, but that is the evidence of hope. Sometimes we even dare to hate, but that is evidence of love. Impart

unto us more strength, more faith, more hope, more love, that we may be what we ought to be, what we all long to be. For Thine is the kingdom, and the power, and the glory forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

# CALENDAR WEDNESDAY.

The SPEAKER. This is Calendar Wednesday, and the Clerk will call the roll of committees.

The Clerk proceeded with the call of committees.

Mr. FERRIS (when the Committee on the Public Lands was called). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FERRIS. Are we entitled to have the unfinished business disposed of on the California Hetch Hetchy bill under the call of committees? If so, I would like to have it laid before the House at this time, the previous question having been ordered on yesterday.

Mr. MANN. That will come up automatically.

Mr. BARTLETT. The previous question being ordered, it is the first thing in order after the reading of the Journal.

Mr. MANN. I say it will come up automatically.

Mr. FERRIS. When there are 9 or 10 bills on the calendar?

Mr. MANN. It will undoubtedly come up on the call of committees when Calendar Wednesday is disposed of.

The SPEAKER. The question seems to be this, whether or not this bill, being in the state it was in, would be brought up under the call of committees when the Committee on Public Lands is reached.

Mr. BARTLETT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARTLETT. While it is true, Mr. Speaker, that ordinarily, where the previous question has been ordered upon a bill and the House adjourns with the previous question attached, it would come up immediately after the reading of the Journal, yet that is not so with reference to Calendar Wednesday, according to the rulings that I understand have heretofore been made.

The SPEAKER. The gentleman is correct in that.

Mr. MANN. My recollection is, Mr. Speaker, that the present Speaker has ruled that when the previous question has been ordered, the bill comes up the first thing on Calendar Wednesday; but regardless of Calendar Wednesday, whether it does or not, this bill will undoubtedly soon be up automatically.

Mr. FITZGERALD. Mr. Speaker, the rule provides that a bill must be either on the Union Calendar or the House Calendar. This is unfinished business.

Mr. FERRIS. It is on the Union Calendar.

The SPEAKER. It is on the Union Calendar until disposed of. However, it can be reached speedily anyway.

Mr. FERRIS. I do not care to raise the question, Mr. Speaker.

# GREAT NORTHERN RAILWAY CO.

Mr. BURKE of South Dakota (when the Committee on Indian Affairs was called). Mr. Speaker, I desire to call up Senate bill 2711, No. 15 on the Union Calendar, and I ask that the bill may be considered in the Committee of the Whole.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

An act (S. 2711) to provide for the acquiring of station grounds by the Great Northern Railway Co. in the Colville Indian Reservation, in the State of Washington.

The SPEAKER. The gentleman from South Dakota [Mr. BURKE] asks that the bill be considered in the House as in Committee of the Whole. Is there objection?

Mr. FOSTER. Mr. Speaker, is the gentleman authorized by the committee to call up this bill?

Mr. BURKE of South Dakota. I am not, but the chairman of the committee [Mr. STEPHENS of Texas] is absent, and I know he is very desirous to have the bill considered.

Mr. FOSTER. I think unless the gentleman from South Dakota is authorized to make this request the bill can not be called up.

The SPEAKER. There is no question about that, if anybody raises the point.

Mr. BURKE of South Dakota. I ask unanimous consent that the bill may be considered. I have no interest in it. I am simply doing this in the absence of the chairman of the committee.

Mr. FITZGERALD. Unless the gentleman is authorized by the committee—

Mr. BURKE of South Dakota. I am not authorized.

Mr. FITZGERALD. I do not think the gentleman ought to make the request.

Mr. MANN. The gentleman from Texas [Mr. STEPHENS] stated a day or two ago that he was extremely anxious to have the bill passed. It will probably take but a moment. It is a right of way bill.

Mr. FITZGERALD. It grants rights in excess of those granted by the general act. It may involve considerable discussion in the Committee of the Whole House on the state of the Union.

Mr. BURKE of South Dakota. I have no interest in it, Mr. Speaker.

Mr. FITZGERALD. Then I hope the gentleman will not press it at this time. I am anxious to get to the consideration of another bill.

The SPEAKER. If objection is made, the Clerk will proceed with the call of committees.

The Clerk resumed and completed the call of committees.

# HETCH HETCHY.

The SPEAKER. The gentleman from Oklahoma [Mr. FERRIS] is recognized.

Mr. FERRIS. Mr. Speaker, I call up the Hetch Hetchy bill (H. R. 7207) as unfinished business, and I ask that it be disposed of at this time.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read the title of the bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, the Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands of the State of California, and for other purposes.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. MANN. Mr. Speaker, I think that was ordered.

The SPEAKER. The gentleman is mistaken about it. The Chair has examined the Record and it confirms his own memory. The gentleman from Minnesota [Mr. STEENERSON] made his demand just as the Speaker was going to put the question. He did it prematurely, of course, but that did not make any difference. He did it, and that was the end of it temporarily.

Mr. STEENERSON. My recollection was that the Speaker had put the motion, but I do not think it will do any harm to put it over again even if he had.

The bill was ordered to be engrossed and read a third time.

The SPEAKER. Does the gentleman from Minnesota withdraw his demand for the reading of the engrossed bill?

Mr. STEENERSON. Is the engrossed bill here?

The SPEAKER. It is right here, at the Clerk's desk.

Mr. STEENERSON. Then I do not insist on the reading of it. [Laughter.]

The bill was read a third time by title.

Mr. MURDOCK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MURDOCK. On yesterday the gentleman from Minnesota [Mr. STEENERSON] demanded the reading of the engrossed bill.

The SPEAKER. Yes.

Mr. MURDOCK. Inasmuch as the House has largely dispensed with the practice of reading engrossed bills, I would like to ask what is the material difference between an engrossed bill and an ordinary bill.

The SPEAKER. The engrossed bill is a clean copy of the bill in exactly the form in which it is going to leave the House.

Mr. STEENERSON. As I understand it, the engrossed bill contains all the amendments up to date.

The SPEAKER. Of course it does.

Mr. STEENERSON. And no other copy of the bill does contain them?

The SPEAKER. That is correct.

Mr. MURDOCK. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MURDOCK. There is no difference between the bill at the time the House passes it and the engrossed bill.

Mr. FITZGERALD. There is a very great difference. The engrossed bill embodies all the amendments which have been agreed to.

Mr. MANN. There is only one copy of the engrossed bill. There may be a thousand copies of the other print.

The SPEAKER. The engrossed bill is taken as embodying the result of the action of the House on the bill, including the amendments.

Mr. MANN. The engrossed bill is the one copy which, if the House passes it, goes to the Senate of the United States, and is the official copy upon which the other body acts.

The SPEAKER. That is true.

Mr. MANN. It is the copy from which the bill is finally enrolled.

The SPEAKER. That is correct.

Mr. MANN. It is the only official copy.

Mr. STEENERSON. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. STEENERSON. As I understand it, there is no available way in which I could compare the reading of this bill, even if I insisted on the reading of it at length. That is the reason I withdraw the demand.

The SPEAKER. The only way in which the gentleman could compare it would be to have in his hand a desk copy of the bill, together with the amendments, and as the Clerk proceeded with the reading of the engrossed copy, if the gentleman could read the amendments into it, then he would get the same result exactly, if the bill was correctly engrossed. But, anyhow, the request is withdrawn. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. STEENERSON) there were 99 ayes and 15 noes.

Mr. STEENERSON. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. The gentleman from Minnesota makes the point that no quorum is present, and the Chair will count. [After counting.] One hundred and forty-three Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 183, nays 43, answered "present" 9, not voting 194, as follows:

## YEAS—183.

Abercrombie	Doughton	Kent	Seldomridge
Adamson	Dupré	Kinkaid, Nebr.	Sells
Alexander	Dyer	Kinkaid, N. J.	Slms
Allen	Edmonds	Kirkpatrick	Sinnott
Asbrook	Evans	Lafferty	Slemp
Aswell	Fergusson	Lazaro	Smith, J. M. C.
Austin	Ferris	Leshner	Smith, Md.
Bailey	Fitzgerald	Lever	Smith, Minn.
Baltz	Flood, Va.	Lewis, Pa.	Smith, Saml. W.
Barkley	Floyd, Ark.	Lindquist	Smith, Tex.
Barton	Foster	Linthicum	Sparkman
Bathrick	French	Lloyd	Stadman
Bell, Cal.	Gallagher	Logue	Stedman
Bell, Ga.	Gard	McAndrews	Stevens, Cal.
Blackmon	Garner	McDermott	Stevens, N. H.
Booher	Garrett, Tenn.	McKellar	Stone
Borchers	George	McKenzie	Stringer
Borland	Gittins	McLaughlin	Summers
Broussard	Goodwin, Ark.	Mann	Switzer
Brown, W. Va.	Greene, Mass.	Mapes	Taggart
Bryan	Greene, Vt.	Montague	Tavener
Buchanan, Tex.	Hammond	Moon	Taylor, Ala.
Burgess	Hardwick	Murdock	Taylor, Ark.
Burnett	Hardy	Murray, Okla.	Taylor, Colo.
Byrnes, Tenn.	Harrison	Nelson	Temple
Callaway	Hay	Norton	Ten Eyck
Carlin	Hayden	Oldfield	Thompson, Okla.
Carr	Hayes	Padgett	Thompson, Ill.
Church	Heflin	Page	Tuttle
Claypool	Henry	Payne	Underwood
Clayton	Hensley	Pepper	Vaughan
Connelly, Kans.	Hinebaugh	Peterson	Volstead
Connelly, Iowa	Holland	Phelan	Walters
Cooper	Houston	Platt	Watkins
Covington	Hughes, Ga.	Plumley	Watson
Cramton	Hulings	Post	Weaver
Crisp	Hull	Pou	Webb
Cullop	Humphrey, Wash.	Prouty	Whaley
Curry	Humphreys, Miss.	Ragsdale	Williams
Davenport	Jacoway	Raker	Wilson, Fla.
Davis	Johnson, Ky.	Rayburn	Wingo
Decker	Johnson, S. C.	Rogers	Woodruff
Dent	Johnson, Utah	Rubey	Woods
Dickinson	Johnson, Wash.	Rucker	Young, N. Dak.
Donovan	Kelster	Russell	Young, Tex.
Doolittle	Kelly, Pa.	Sabath	

## NAYS—43.

Adair	Dixon	Kennedy, Iowa	Reilly, Wis.
Beakes	Eagle	Kitchin	Scott
Britten	Elder	Konop	Sisson
Burke, Pa.	Esch	Lieb	Sloan
Burke, S. Dak.	Faison	McClellan	Steenserson
Burke, Wis.	Garrett, Tex.	MacDonald	Stephens, Miss.
Clive	Gillett	Madden	Talcott, N. Y.
Collier	Gray	Maguire, Nebr.	Thomas
Cox	Helgesen	Mitchell	Willis
Deltrick	Helm	Rauch	Witherspoon
Dillon	Hinds	Reed	

## ANSWERED "PRESENT"—9.

Barnhart	Candler, Miss.	Guernsey	Morrison
Bartlett	Fields	Lewis, Md.	Moss, Ind.
Browning			

## NOT VOTING—194.

Aiken	Baker	Buchanan, Ill.
Ainey	Barchfield	Bulkley
Anderson	Bartholdt	Butler
Ansberry	Beall, Tex.	Byrnes, S. C.
Anthony	Bowdle	Calder
Avis	Bremner	Brumbaugh

Cantrill	Good	Lee, Pa.
Caraway	Gordon	L'Engle
Carew	Gorman	Lenroot
Carter	Goulden	Levy
Cary	Graham, Ill.	Lindbergh
Casey	Graham, Pa.	Lobeck
Chandler, N. Y.	Green, Iowa	Loneragan
Clancy	Gregg	McCor
Clark, Fla.	Griest	McGillicuddy
Conry	Griffin	McGuire, Okla.
Copley	Gudger	Mahan
Crosser	Hamill	Maher
Curley	Hamilton, Mich.	Manahan
Dale	Hamilton, N. Y.	Martin
Danforth	Hamlin	Merritt
Dershem	Hart	Metz
Dies	Haugen	Miller
Difenderfer	Hawley	Mondell
Donohoe	Helvering	Moore
Dooling	Hill	Morgan, La.
Doremus	Hobson	Morgan, Okla.
Driscoll	Howard	Morin
Dunn	Howell	Moss, W. Va.
Eagan	Hoxworth	Mott
Edwards	Hughes, W. Va.	Murray, Mass.
Estopinal	Igoe	Neeley
Fairchild	Jones	Nolan, J. I.
Falconer	Kahn	O'Brien
Farr	Keating	Oglesby
Fess	Kelley, Mich.	O'Leary
Finley	Kennedy, Conn.	O'Shaunessy
FitzHenry	Kennedy, R. I.	Palmer
Fordney	Kettner	Parker
Fowler	Key, Ohio	Patten, N. Y.
Francis	Kiess, Pa.	Patton, Pa.
Frear	Kindel	Peters
Gardner	Knowland, J. R.	Porter
Gerry	Korbly	Powers
Gillmore	Kreider	Quin
Glass	La Follette	Rainey
Godwin, N. C.	Langham	Reilly, Conn.
Goeke	Langley	Richardson
Goldfogle	Lee, Ga.	

So the bill was passed.

The following pairs were announced:

For the session:

Mr. BARTLETT with Mr. BUTLER.

Mr. SLAYDEN with Mr. BARTHOLDT.

Mr. HOBSON with Mr. FAIRCHILD.

Mr. SCULLY with Mr. BROWNING.

Mr. METZ with Mr. WALLIN.

Mr. FIELDS with Mr. LANGLEY.

Until further notice:

Mr. GRAHAM of Illinois with Mr. MOSS of West Virginia.

Mr. BYRNES of South Carolina with Mr. BARCHFIELD.

Mr. GORDON with Mr. KENNEDY of Rhode Island.

Mr. BOWDLE with Mr. KELLEY of Michigan.

Mr. CANTRILL with Mr. CAMPBELL.

Mr. HOWARD with Mr. ANDERSON.

Mr. MCGILICUDDY with Mr. GUERNSEY.

Mr. DALE with Mr. AVIS.

Mr. BUCKNER with Mr. HAWLEY.

Mr. RICHARDSON with Mr. FREAR.

Mr. MCCOY with Mr. STEVENS of Minnesota.

Mr. FOWLER with Mr. MILLER.

Mr. TALBOTT of Maryland with Mr. MERRITT.

Mr. FRANCIS with Mr. PARKER.

Mr. CANDLER of Mississippi with Mr. HAMILTON of New York.

Mr. GERRY with Mr. FESS.

Mr. J. I. NOLAN with Mr. GOULDEN.

Mr. AIKEN with Mr. AINEY.

Mr. BAKER with Mr. ANTHONY.

Mr. BEALL of Texas with Mr. BROWNE of Wisconsin.

Mr. BUCHANAN of Illinois with Mr. CARY.

Mr. CARAWAY with Mr. DANFORTH.

Mr. CLARK of Florida with Mr. COPLEY.

Mr. DIES with Mr. DUNN.

Mr. DIFENDERFER with Mr. FARR.

Mr. DOREMUS with Mr. FORDNEY.

Mr. EDWARDS with Mr. GRAHAM of Pennsylvania.

Mr. ESTOPINAL with Mr. GRIEST.

Mr. FINLEY with Mr. HAUGEN.

Mr. GLASS with Mr. HOWELL.

Mr. GODWIN of North Carolina with Mr. HUGHES of West Virginia.

Mr. GOEKE with Mr. KIESS of Pennsylvania.

Mr. GREGG with Mr. KREIDER.

Mr. GUDGER with Mr. LA FOLLETTE.

Mr. HAMLIN with Mr. LANGHAM.

Mr. KEATING with Mr. MCGUIRE of Oklahoma.

Mr. KORBLY with Mr. MANAHAN.

Mr. LEE of Georgia with Mr. MARTIN.

Mr. LEE of Pennsylvania with Mr. MONDELL.

Mr. LEVY with Mr. POWERS.

Mr. MORGAN of Louisiana with Mr. CHANDLER of New York.

Mr. PALMER with Mr. VARE.  
 Mr. PATTEN of New York with Mr. SHREVE.  
 Mr. PETERS with Mr. ROBERTS of Massachusetts.  
 Mr. RAINEY with Mr. SMITH of Idaho.  
 Mr. REILLY of Connecticut with Mr. SUTHERLAND.  
 Mr. SHACKLEFORD with Mr. TREADWAY.  
 Mr. SHARP with Mr. WILDER.  
 Mr. SMALL with Mr. WINSLOW.  
 Mr. STEPHENS of Nebraska with Mr. MOTT.  
 Mr. STEPHENS of Texas with Mr. MOORE.  
 Mr. WALKER with Mr. MORIN.  
 Mr. WHITE with Mr. PATTON of Pennsylvania.  
 Mr. DRISCOLL with Mr. PORTER.  
 Mr. KEY of Ohio with Mr. ROBERTS of Nevada.  
 Mr. SHERLEY with Mr. RUPLEY.  
 On this vote (on Hetch Hetchy bill):  
 Mr. BROWN of New York (in favor) with Mr. TOWNER (against).  
 Mr. CARTER (in favor) with Mr. GREEN of Iowa (against).  
 Mr. KAHN (in favor) with Mr. THACHER (against).  
 Mr. MURRAY of Massachusetts (in favor) with Mr. GOOD (against).  
 Mr. J. R. KNOWLAND (in favor) with Mr. ROUSE (against).  
 The result of the vote was announced as above recorded.  
 On motion of Mr. FERRIS, a motion to reconsider the vote by which the bill was passed was laid on the table.  
 A quorum being present, the doors were opened.  
 Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the bill which has just been passed.  
 The SPEAKER. Is there objection?  
 There was no objection.  
 Mr. TALCOTT of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the bill which has just been passed.  
 The SPEAKER. Is there objection?  
 There was no objection.  
 Mr. HAYES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, but not upon the bill which has just been passed.  
 The SPEAKER. Is there objection?  
 Mr. BORLAND. Mr. Speaker, reserving the right to object, I would like to ask the gentleman upon what subject he desires to extend his remarks in the RECORD?  
 Mr. HAYES. Upon the subject of woman suffrage.  
 The SPEAKER. Is there objection?  
 There was no objection.

#### THE PREVIOUS QUESTION.

The SPEAKER. Respecting the point of order which was partially raised, but withdrawn, and therefore not passed upon, during the discussion a short time since, in regard to the order of business where the previous question had been ordered upon a bill upon Tuesday, the Chair desires to state that since that time he has examined the decisions upon the subject and finds that the present occupant of the Chair had occasion once before to pass upon the question, and at that time held that where the previous question had been ordered upon a bill on Tuesday the bill went over until Thursday. The Chair has not before him at this time what was said upon that occasion, but the reason for that ruling is very plain. If the ruling were otherwise, something might occur in respect to the matter which would consume two or three hours of Calendar Wednesday. The ruling of the Chair was and is and ever will be, until it is overruled, that where the previous question is ordered upon a bill on Tuesday the bill automatically goes over until the following Thursday.

#### KILLING OF ANGELO ALBANO.

Mr. FLOOD of Virginia. Mr. Speaker, I ask unanimous consent to take up the bill (H. R. 7384) to authorize the payment of an indemnity to the Italian Government for the killing of Angelo Albano, an Italian subject, and to consider it in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Virginia asks unanimous consent to take up the bill (H. R. 7384) to authorize the payment of an indemnity to the Italian Government for the killing of Angelo Albano, and asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I desire to state that my understanding was that it was another bill that the gentleman desired to call up. I shall have to object to this bill.

The SPEAKER. Does the Chair understand the gentleman from Illinois to object?

Mr. MANN. Mr. Speaker, I shall object, and at the proper time I shall make the point of order that the bill in question is not upon the proper calendar.

Mr. FITZGERALD. The bill which the gentleman from Virginia is calling up is one ordering an indemnity to be paid for the killing of an Italian.

Mr. MANN. Not an indemnity, but to extend a gratuity under very peculiar circumstances, which are not explained anywhere.

Mr. FLOOD of Virginia. Mr. Speaker, they are very justifiable circumstances, and I will say to the gentleman that I shall take pleasure in explaining the circumstances. It would take only two or three minutes.

Mr. MANN. Oh, no; it would take a great deal longer than two or three minutes. I will say to the gentleman.

Mr. FLOOD of Virginia. Will the gentleman withhold his objection for a few minutes?

Mr. MANN. Certainly, if the gentleman desires to make a speech upon it, and then perhaps I shall want to make a speech giving the reasons for objection. I think I had better object.

The SPEAKER. The gentleman from Illinois objects.

Mr. FLOOD of Virginia. Mr. Speaker, I will say to the gentleman that this is a bill to provide an indemnity—

Mr. MANN. Oh, I know what the bill is.

Mr. FLOOD of Virginia. For the killing of a man by a mob when he was in the hands of two deputy sheriffs of Hillsboro County, Fla., on suspicion of having committed a murder.

Mr. MANN. Killed under circumstances where the deputy sheriffs plainly took him to a place to be killed, and under such circumstances that if anybody ought to pay it should be the county of Hillsboro or the State of Florida.

Mr. SPARKMAN. Mr. Speaker, I have just come into the Chamber, and, as Hillsboro is my county, I desire to ask the gentleman from Virginia what it is that is under consideration?

Mr. FLOOD of Virginia. Mr. Speaker, in September, 1910, an Italian was suspected, in Tampa, Fla., of having been implicated in the murder of a bookkeeper in a cigar store. He was arrested under a warrant by two deputy sheriffs. While he was being conveyed from his home, where he was arrested, in West Tampa to the jail in Tampa he was set upon by a mob, taken from the deputy sheriffs, and hanged. The authorities of Hillsboro County undertook to ascertain the members of the mob and to bring them to punishment, but were unable to ascertain who had committed the offense. No punishment was ever inflicted upon the members of this mob.

Mr. GILLET. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman from Massachusetts will state it.

Mr. GILLET. Under what order are we now proceeding?

The SPEAKER. Under the order of the gentleman from Virginia asking unanimous consent to consider this bill in the House as in Committee of the Whole, and the gentleman from Illinois [Mr. MANN] objected and then withheld his objection.

Mr. MANN. Oh, I did not withhold the objection.

The SPEAKER. Then we are proceeding out of order.

Mr. SPARKMAN. I will say, so far as I am concerned—

The SPEAKER. The Chair will recognize the gentleman from Virginia [Mr. HAY] to move to go into the Committee of the Whole House.

Mr. FITZGERALD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7898, the urgent deficiency bill. The call of committees has been completed and, as it has been completed, even on Calendar Wednesday this preferential motion is in order.

The SPEAKER. The Chair knows, but the Chair has just recognized the gentleman from Virginia.

Mr. FITZGERALD. But I insist that this is a preferential motion at this time. The Clerk finished the call of committees, and the gentleman from Virginia did not call his bill up on the call of committees.

The SPEAKER. The Chair will inquire of the gentleman how he makes it that his motion to go into the Committee of the Whole House on the state of the Union is preferential over the motion of the gentleman from Virginia to go into the Committee of the Whole House?

Mr. FITZGERALD. But, Mr. Speaker, the call of committees has been completed.

The SPEAKER. The Chair knows it has.

Mr. MANN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. Under what rule of the House is the gentleman from Virginia in order at all to make a motion to go into the Committee of the Whole House, his bill not being a privileged bill, the call of committees having ceased, and he having failed to call up his bill on the call of committees?

The SPEAKER. The call of committees has been exhausted, and even if it had not been exhausted the motion to go into the Committee of the Whole House at the end of 60 minutes is in order if he can get the floor.

Mr. FITZGERALD. Mr. Speaker, I think the Chair has not looked at the rule carefully. The rule provides—

Mr. MANN. Mr. Speaker, I make the point of order.

The SPEAKER. What point of order does the gentleman from Illinois make?

Mr. MANN. I make the point of order that the gentleman from Virginia is not in order, because H. R. 7384 is improperly on the Union Calendar and should be on the Private Calendar. This is a private claim, a bill to give a gratuity because of the death of a man, which is a private claim under the rules of the House, and hence the bill referred to the Union Calendar should have been referred to the Private Calendar.

The bill provides for the payment of an indemnity to the heirs, or for their benefit, of Angelo Albano, an Italian subject, said to have been killed by a mob. It is plainly a private bill, and should be on the Private Calendar.

Mr. FLOOD of Virginia. Mr. Speaker, this is an appropriation to the Italian Government, to be distributed among individuals as that Government sees fit. It is not a private claim. It is a claim against this Government in favor of the Italian Government. Mr. Speaker, there are a number of precedents for bills of this kind going on the Union Calendar.

Mr. MANN. The gentleman can not produce them, I think.

The SPEAKER. The Chair will hear the gentleman from Virginia. It seems like a conflict of two rules.

Mr. FLOOD of Virginia. Mr. Speaker, the bill says:

That there is hereby authorized to be paid, out of any money in the Treasury not otherwise appropriated, out of humane consideration and without reference to the question of liability therefor, to the Italian Government, as full indemnity to the heirs of Angelo Albano, an Italian subject, who was killed by an armed mob at Tampa, Fla., on the 20th day of September, 1910, the sum of \$6,000.

This bill provides for an appropriation to the Government of Italy, not to any citizen.

The facts in the case are as follows:

Angelo Albano was born in Italy on January 11, 1886.

When he was a boy his father came to this country, but never took any steps to renounce his allegiance to the Italian Government and become an American citizen.

The son, Angelo Albano, followed in his father's footsteps in this respect and never became a citizen of this country.

In September, 1910, he was suspected at Tampa, Fla., of having murdered the bookkeeper in a cigar factory at Tampa.

On the 20th of that month he was arrested on this charge, and while in the custody of two deputy sheriffs of Hillsboro County, Fla., he was seized by an armed mob and killed.

The authorities of Hillsboro County, though diligently endeavoring to do so, were never able to apprehend and punish the members of this mob.

As a consequence, the Italian Embassy, in the name of the Government of Italy, appealed to the sense of equity and justice of this Government for some settlement of this case, and has requested that an indemnity of \$6,000 be granted to that end.

On June 26 of this year the President of the United States recommended that, as an act of grace and without reference to the question of liability of the United States, Congress comply with the request of the Italian Government, the amount appropriated to be distributed by the Italian Government in such manner as it may deem proper.

There are many precedents for the course this bill has pursued.

On March 11, 1895, the corpse of A. J. Hixon, an American saloon keeper, was found in the coal field of Rouse, Colo. A coroner's jury found that he was murdered by an Italian miner named Andinino, who was immediately taken to Walsenburg, 7 miles away, and lodged in jail. Four other Italian miners implicated by the inquest were arrested and held, and on their way to Walsenburg, under the escort of two deputy sheriffs, they were intercepted by half a dozen men on horseback. One of the Italians was killed; another escaped with a wound, but was recaptured and lodged in jail in the cell with Andinino. The other Italians fled. The following night seven masked and armed men got into the jail and killed Andinino and his companion. The Italians who fled were afterwards found wandering in the mountains frostbitten so that their feet had to be amputated. Although the authorities of Colorado cooperated with the Italian consul in his efforts to secure the prosecution of the offenders, various causes contributed to prevent the institution of proceedings. The Italian ambassador formulated a claim, and on June 30, 1896, Mr. Olney reported that the facts were without dispute and suggested that they be submitted to the consideration of Congress.

On February 3, 1896, the President in a message to Congress recommended that without discussing the question of the liability of the United States either by reason of treaty obligations or under the general rules of international law Congress consider the propriety of making prompt and reasonable pecuniary provision for those injured and for the families of those who were killed. The deficiency act approved June 8, 1896, carried a provision for the payment to the Italian Government for full indemnity to the heirs of three of its subjects "who were riotously killed, and to two others who were injured, in the State of Colorado by residents of that State, \$10,000."

This was treated as a public and not a private bill.

In 1896 three persons of Italian origin, who were being held on a charge of homicide, were lynched by a mob at Hahnville, La. Upon the assumption that the unfortunate men were Italian subjects the Government of Italy sought the mediation of that of the United States with the State of Louisiana, to the end of investigating the occurrence, and if the facts warranted making provision for the families of the sufferers. The State of Louisiana promptly instituted an inquiry, expressing regret and a purpose to seek out the offenders. An independent investigation, set on foot by the Department of State, disclosed that all normal precautions for the safety of the prisoners had been taken by the local officers, and that no blame could justly attach to them by reason of the sudden outbreak of mob violence against these three men against whom there was convincing evidence of murder. The investigation further disclosed the fact that the lynched men by participating in the political affairs of this country and voting at its elections appeared to have in effect renounced their allegiance to their native land. It was established that one of the victims of the mob had taken the preliminary steps to abjure Italian allegiance, and it was but natural to presume that the others had also forfeited Italian citizenship, since by domicile and sharing in the electoral franchise they had acquired lawful citizenship of the State of Louisiana, a privilege inuring only to such as could show their declaration of intention to be naturalized. The Italian ambassador complained of a failure of justice in the case, and Congress, in the deficiency act of July 19, 1897, appropriated the sum of \$6,000 to be paid "out of humane consideration and without reference to the question of liability therefor to the Italian Government, as full indemnity to the heirs of three of its subjects."

This was treated in its reference, its report, and its course through this House as a public and not a private bill.

On July 21, 1899, five persons of Italian origin were lynched by a mob at Tallulah, La. The outrage originated in a quarrel concerning a goat which belonged to one of the Difatta brothers, who conducted a grocery business at Tallulah. It seems that the goat was in the habit of climbing on the balcony of the house of a Dr. Hodge, who, becoming annoyed, shot it. The following day Carlo Difatta accosted Dr. Hodge in the street and struck him a blow with his fist. The doctor shot him, and when he fell put his foot upon him, apparently intending to fire again. Giuseppe Difatta then shot at the doctor from a gun loaded with bird shot. A rumor having spread that Dr. Hodge had been killed, a mob quickly collected and went in search of Carlo and Giuseppe Difatta, who had succeeded in getting away and concealing themselves, while the sheriff arrested three other Italians and lodged them in jail. It was stated that two of the men had taken no part in the affair. Carlo and Giuseppe Difatta were found by the mob and were hanged, and the mob then went to the jail and took the other three Italians and hanged them also.

The authorities of the State and a representative of the Italian Embassy having separately investigated the occurrence, with discrepant results, particularly as to the alleged citizenship of the victims, and it not appearing that the State had been able to discover and punish the violators of the law, an independent investigation was conducted through the agency of the Department of State. President McKinley in his annual messages of December 3, 1899 and 1900, strongly urged upon Congress the desirability of enacting legislation making offenses against the treaty rights of foreigners domiciled in the United States cognizable in the Federal courts. Congress appropriated \$5,000 as indemnity in this case.

This was treated as a public and not as a private bill.

On July 15, 1901, the Italian Embassy at Washington urgently presented to the department the case of three Italians, two of whom were killed and the third wounded at Erwin, Miss., and asked (1) that the matter be officially investigated, (2) that the guilty parties be arrested and punished, and (3) that steps be taken to secure to Italians in the locality in question the protection to which they are entitled by treaty. The case was referred to the governor of Mississippi for appropriate action. It

seems that the crime was committed under cover of darkness, and the identity of the criminals was not discovered either at the coroner's inquest or at the subsequent investigation by the grand jury. The Italian Embassy protested against what was pronounced to be "a denial of justice, a flagrant violation of contractual conventions, and a grave offense to every humane and civil sentiment," and referring to the omission of Congress to confer jurisdiction in such cases on the Federal courts, as recommended by the President, declared that until such a measure should have been adopted the Italian Government would not only "have grounds of complaint for violation of the treaties to its injury," but would "not cease to denounce the systematic impunity enjoyed by crime and to hold the Federal Government responsible therefor."

This protest was transmitted to the committees of the Senate and House of Representatives having under consideration the President's recommendation that indemnity be paid to the families of the victims and that legislation be enacted to give the Federal courts original jurisdiction of treaty offenses against aliens.

By the act of March 3, 1903, the sum of \$5,000 was appropriated to be paid "out of humane consideration, without reference to the question of liability therefor to the Italian Government," as full indemnity to the heirs of the men who were slain and to the one who was injured by an armed mob at Erwin, Miss., on July 11, 1901.

There can be no doubt, Mr. Speaker, that this is a public bill and is properly on the Union Calendar.

The SPEAKER. From what committee was it reported? What calendar was it on?

Mr. FLOOD of Virginia. Some of these bills have been reported from the Appropriations Committee and some from Foreign Affairs.

Mr. MURRAY of Oklahoma. Will the gentleman yield?

Mr. FLOOD of Virginia. I yield to the gentleman from Oklahoma.

Mr. MURRAY of Oklahoma. The gentleman, Mr. Speaker, is mistaken as to the 11 Italians in New Orleans. They were all American citizens, with the exception of three. It is true they were all Italians, but there were only three of them who were Italian subjects.

The SPEAKER. That does not make any difference as to the present question.

Mr. MURRAY of Oklahoma. Well, what I wanted to ask was this: Is the gentleman aware that this Italian for whom he is trying to get this appropriation was an Italian subject?

Mr. FLOOD of Virginia. There is no doubt about the fact that he was an Italian subject. There has been a question, I will say to the gentleman from Oklahoma—

Mr. BARTLETT. May I interrupt the gentleman a moment?

Mr. FLOOD of Virginia. Just as soon as I answer the gentleman from Oklahoma. There has been a question in all of these cases, with the exception of one of them, as to whether the party who was killed was an Italian subject at the time of the killing or not. There is absolutely no question in the case the committee has here reported. The evidence that he was an Italian subject is absolutely clear. There is no dispute or question about it. In the case at New Orleans there was a question as to whether the men who were lynched were Italian subjects, and in the Mississippi case and the Colorado case the same question arose. Notwithstanding this fact, this Government, as a matter of grace and without reference to its liability, made an appropriation to pay the Government for killing those about whose citizenship there was no question.

Mr. MURRAY of Oklahoma. I want to state, Mr. Speaker, that if this man is an Italian subject it occurs to me that the appropriation would be just. I merely asked the question in order to know whether he had become naturalized or was at the time of his death an Italian subject.

The SPEAKER. The question at issue is a point of order raised by the gentleman from Illinois [Mr. MANN] as to what calendar this bill ought to be on, not what committee has jurisdiction of it or anything else about it. The question is which calendar it ought to go to.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Virginia yield to the gentleman from Georgia?

Mr. FLOOD of Virginia. I do.

Mr. BARTLETT. Mr. Speaker, it seems to me that this is not a bill to go upon the Private Calendar. It is true that there are instances where the citizens of foreign countries have filed and presented claims, or where claims have been presented by Members of Congress in their behalf, which have been referred to the Committee on Claims. But time and time again claims which foreign governments have presented to our Government and which were referred to the Congress by the President and

which were endeavored to be settled by reason of our foreign relations have generally, though not always, gone to the Committee on Foreign Affairs and have been reported by that committee.

This is the substance of a statement which you will find in the fourth volume of Hinds' Precedents, which reads:

The Committee on Foreign Affairs has exercised a general but not exclusive jurisdiction over projects of general legislation relating to claims having international relations.

The Committee on Foreign Affairs has jurisdiction. That is the section which defines the duties of committees. Of course, if this bill went to the Committee on Foreign Affairs and was reported from that committee, it would be by reason of its jurisdiction over foreign affairs, which generally does not apply to claims. But—

The Committee on Foreign Affairs has exercised a general but not exclusive jurisdiction over projects of general legislation relating to claims having international relations.

Now, as I understand the situation this bill is in, it grows out of the fact that the President has submitted to this Congress a message calling the attention of Congress to the fact that a citizen of Italy was killed in Florida and asking that the United States make reparation for it, just as Italy did with respect to certain claims that American citizens had growing out of certain matters some time ago; and the President submitted that message, which was referred to the Committee on Foreign Affairs, not as a private claim—because if it had been a private claim the Speaker would have referred it to the Committee on Claims, and they would have considered it—and the Speaker recognized that it was not a private claim, but that it was a claim that affected our international relations with a foreign country, and therefore sent it to the Committee on Foreign Affairs, to be dealt with by that committee, not as a private claim, not to return to or to pay to the individual the money, but as a bill to respond to a claim of the Italian Government in behalf of one of its citizens who had been killed in the United States, and appropriating money therefor.

Now, it seems to me, Mr. Speaker, if the precedents are examined I think you will find that to which the gentleman from Virginia [Mr. Flood] has called attention. I remember some of those cases since I have been here. You will find that the Committee on Foreign Affairs has, time and time again, reported bills of this sort, and those bills have gone on the Union Calendar and have been considered, not as private claims but as bills to discharge a public duty which the Government of the United States owes to a foreign country in the matter of our international relations. Certainly a bill affecting our international relations with a foreign country can not in any sense be considered a private bill. That is all I have to submit at this time.

The SPEAKER. Does the gentleman from Illinois [Mr. MANN] desire to be heard any further?

Mr. MANN. Mr. Speaker, the third clause of Rule XIII, dealing with the subject of calendars, provides:

Third. A Calendar of the Committee of the Whole House, to which shall be referred all bills of a private character.

Now, what are bills of a private character?

The SPEAKER. What was that citation?

Mr. MANN. That is clause third of Rule XIII.

The SPEAKER. All right.

Mr. MANN. Referring to Hinds' Precedents, volume 4, section 3285, for the definition of a private bill, it is there stated:

A private bill is a bill for the relief of one or several specified persons, corporations, institutions, etc., and is distinguished from a public bill, which relates to public matters and deals with individuals only by classes.

The statutes of the United States provide:

The term "private bill" shall be construed to mean all bills for the relief of private parties, bills granting pensions, and bills removing political disabilities,

And so forth.

To be a private bill it must not be general in its enactment, but for the particular interest or benefit of a person or persons.

Now, what is this bill? It provides for the payment of money to the Italian Government as full indemnity to the heirs of Angelo Alvano, and plainly means that it is a bill to give to the heirs of this deceased Italian the amount of money appropriated by the bill, just as much so as though it had plainly said that it was to pay to the persons specified as the heirs the sum of money stated. The fact that they are not specified by name does not prevent it being a private bill. The fact that the money is paid to the parties through the hands of the Italian Government does not change its character, because this is a bill for the payment of a sum of money as full indemnity to the heirs of a particular person. I do not see how any bill could be more of a private bill than that is.

Mr. FLOOD of Virginia. Mr. Speaker—

The SPEAKER. The Chair does not care to hear anything from the other side, if gentlemen will pardon the Chair.

One of the most difficult things, and one of the most unsettled things, that the Speaker has to deal with is the reference of bills to the committees and to the calendars. There are exceptions all along the line. Sometimes two or three committees have more or less claim to a bill, or the Speaker might refer the bill to any one of three committees with some propriety; sometimes possibly to any one of four. The Chair never found one of that sort, but frequently there are bills which the Chair might refer to either one of two or three committees. The most striking example of it that I remember since I have been Speaker was this: Somebody introduced a bill to fix the dimensions of an apple barrel. The Committee on Interstate and Foreign Commerce claimed that it had jurisdiction of that bill, because it related to barrels that were to be used in interstate commerce. That was the only justification that committee had. The Committee on Coinage, Weights, and Measures claimed the bill on the ground that they were authorized to fix measures. The Agricultural Committee claimed it on the ground that nobody raised any apples except people who were engaged in agriculture. After a good deal of wrangling about it the Speaker referred the bill.

Ordinarily a bill taking money out of the Treasury ought to be referred to the Union Calendar; but there is no doubt that this bill was properly referred to the Committee on Foreign Affairs. It is a matter with a foreign Government. The other day the gentleman from Virginia [Mr. Flood] introduced into the House a bill to appropriate \$100,000 to pay the expenses of Americans getting out of Mexico.

The Speaker referred that bill to the Committee on Appropriations. Ordinarily it ought to have gone to the Committee on Foreign Affairs and would have gone to that committee, and the gentleman from Virginia [Mr. Flood] strenuously insisted that the Committee on Foreign Affairs ought to have charge of it; but the quickest way to get that money was to refer the bill to the Committee on Appropriations, because that committee is going to call up an urgent deficiency bill right away, and the quicker those people get the money the better it will be for them. So the Speaker referred that, as an exception to the general rule, to the Committee on Appropriations.

This bill which the gentleman from Virginia [Mr. Flood] is endeavoring to bring before the House looks on its face very much like a private bill, and in one sense it is a private bill, but in another sense it is a matter of international comity, and it is important because the Italian Government has thought it of enough importance to make it a question with our Government. Therefore the Chair overrules the point of order raised by the gentleman from Illinois [Mr. Mann].

Mr. FITZGERALD. Mr. Speaker, I desire to be heard on the question whether the gentleman's motion is preferential to the one submitted by myself.

The SPEAKER. The Chair will hear the gentleman.

Mr. FITZGERALD. Paragraph 7 of Rule XXIV provides:

On Wednesday of each week no business shall be in order except as provided by paragraph 4 of this rule unless the House by a two-thirds vote on motion to dispense therewith shall otherwise determine. On such a motion there may be debate not to exceed five minutes for and against. On a call of committees under this rule bills may be called up from either the House or the Union Calendar, excepting bills which are privileged under the rules; but bills called up from the Union Calendar shall be considered in Committee of the Whole House on the state of the Union.

Paragraph 4 of the rule provides:

After the unfinished business has been disposed of the Speaker shall call each standing committee in regular order, and then select committees, and each committee when named may call up for consideration any bill reported by it on a previous day and on the House Calendar, and if the Speaker shall not complete the call of the committees before the House passes to other business he shall resume the next call where he left off, giving preference to the last bill under consideration.

To-day, under the rule, business was taken up as provided by the rule under paragraph 4, Rule XXIV. The Speaker called the committees. It would have been in order to call up any bill on either the House or the Union Calendar which was not privileged under the rule. This bill could have been called up when the Committee on Foreign Affairs was reached. It was not called up. The call of committees having been completed, business, as provided for under paragraph 4, Rule XXIV, is ended; and it being ended, the motion to go into Committee of the Whole House on the state of the Union for the consideration of appropriation bills, as a highly preferential motion, is privileged over a motion of the gentleman now to consider a bill which at this time has not a privileged status.

The SPEAKER. The Chair will ask the gentleman if he is contending that you can not go into Committee of the Whole on Calendar Wednesday after the call of committees is finished?

Mr. FITZGERALD. The only way a bill can be considered on Calendar Wednesday is on call of committees.

The SPEAKER. But suppose you get through in 15 minutes, has the House got to adjourn?

Mr. FITZGERALD. Not at all; other business which is appropriate may be called up.

Mr. MANN. Any business in order.

Mr. FITZGERALD. Upon the call of committees on Calendar Wednesday a bill on the House Calendar or the Union Calendar may be called. If there were no privileged business and nobody desired to call up bills upon either calendar, there would be nothing else for the House to do but to adjourn.

The SPEAKER. The Chair will state, in justice to the gentleman from Virginia [Mr. Flood], that he misled the gentleman from Virginia. The two rules are hard to remember. When you have the ordinary call of committees you are not permitted to call up bills on the Union Calendar, but when you have the call on Wednesday, strange to say, you can. The truth is the two rules ought to be remodeled. So the gentleman from Virginia came to the Speaker's desk and asked about it and got the opinion that he could not do it under the call of committees, but could do it after the call was over. So really the Chair was to blame about it. The practice is when there is a call of committees and the business runs 60 minutes, then if any gentleman gets the floor he can move to go into Committee of the Whole House on the state of the Union, or if the call of committees does not last 60 minutes, when the call is over it is considered to be 60 minutes.

Mr. FITZGERALD. Mr. Speaker, the rule is specific on that. The morning hour is 60 minutes.

Mr. MANN. If the Speaker will read paragraph 5 of Rule XXIV, he will find that it is not a matter of practice, but it is the rule:

After one hour shall have been devoted to the consideration of bills called up by committees it shall be in order, pending consideration or discussion thereof, to entertain a motion to go into Committee of the Whole House on the state of the Union.

That is, on any day when there is a call of committees except Calendar Wednesday. That rule, paragraph 5, Rule XXIV, does not apply to Calendar Wednesday, because it is expressly provided otherwise.

The SPEAKER. On page 389, in section 800, I find these words:

The words of the rule "after one hour" have been interpreted to mean a less time in case the call of committees shall have exhausted itself before the expiration of one hour.

Mr. MANN. That is conceded; but, Mr. Speaker, let us look at the rule. Calendar Wednesday rule provides:

On Wednesday of each week no business shall be in order except as provided by paragraph 4 of this rule, unless the House by a two-thirds vote on a motion to dispense therewith shall otherwise determine.

That refers, now, only to paragraph 4. Paragraph 4 is the paragraph that controls business on call of committees, not the one that authorizes going into Committee of the Whole after 60 minutes. No business shall be in order except under paragraph 4, and then the further provision that Union Calendar bills are permitted.

On Calendar Wednesday it is not in order at the end of 60 minutes to take a committee off the floor and move to go into the Committee of the Whole on another bill.

The SPEAKER. That is true. No one has ever claimed that.

Mr. MANN. But that is what the Speaker is claiming now.

The SPEAKER. Oh, no.

Mr. MANN. The Speaker stated a moment ago, and I think he did it erroneously, that because we had had a call of committees it was therefore in order to move to go into the Committee of the Whole House on the state of the Union at the end of 60 minutes or at the end of the call of committees; but that motion is not in order on Calendar Wednesday because, if it were in order on Calendar Wednesday, then, at any time where a committee had occupied the floor for 60 minutes, paragraph 5 of Rule XXIV would authorize that motion to be made.

The SPEAKER. Then how does the gentleman from New York come in with his motion?

Mr. MANN. Under the rule providing that it is in order at any time for the Committee on Appropriations to move to go into the Committee of the Whole House on the state of the Union for the consideration of a general appropriation bill.

The SPEAKER. Does the gentleman contend that as soon as the Journal is read on Calendar Wednesday the gentleman from New York has a right to move to go into the Committee of the Whole House on the state of the Union to consider his appropriation bill?

Mr. MANN. I do not; but Calendar Wednesday has been practically disposed of by a full call of the committees. Nothing has been called up. The committees have all been called, and the Chair has heretofore ruled that if there were no busi-

ness on the calendar, no bill on the calendar that could be called up, or that the call of committees be completed, then Calendar Wednesday dispenses with itself, without a motion. The call of committees has been completed and under the ruling of the Chair heretofore Calendar Wednesday is ended. It is then in order for a privileged bill to be called up by a motion to go into the Committee of the Whole House on the state of the Union; but the bill which the gentleman from Virginia [Mr. Flood] calls up is not a privileged bill. If he were moving to go into the Committee of the Whole House on the state of the Union to consider the annual diplomatic appropriation bill, it would be in order.

Mr. FITZGERALD. Mr. Speaker, I call attention to this fact: If, instead of attempting to move to go into the Committee of the Whole House on the state of the Union to consider a bill on the Union Calendar, the gentleman had attempted to call up a bill on the House Calendar, he would not have been in order. The only way he can call up a bill on Calendar Wednesday is under the call of committees, and unless his committee is under call he has no standing to call up a bill from either calendar. The object of Calendar Wednesday—and it brings back the whole philosophy of the rule—was to meet the demand that there be an opportunity at some definite time for Members to call up, without interference, bills on either the House or the Union Calendar. So the rule was framed in such a way that when a committee was called it could call up a bill on either calendar, and it could not be deprived of its place on the floor at the end of an hour, when considering a bill on the House Calendar, by the intervention of a privileged motion to go into the Committee of the Whole House on the state of the Union. The committees have been called, and they are never called twice in one day. Having been called, the business in order under paragraph 4 of Rule XXIV, which is for the call of committees, is ended. The motion to go into the Committee of the Whole House on the state of the Union to consider an appropriation bill is one of the most highly privileged motions and was only cut out earlier in the day until the call of committees had been completed under this rule affecting Calendar Wednesday.

The SPEAKER. The Chair is of opinion in respect to these two sections about having a call of committees that they should be remodeled and consolidated, because they cause confusion all of the time. That, however, has nothing to do with this question.

The motion of the gentleman from New York, even if the motion made by the gentleman from Virginia were in order, is undoubtedly preferential, because it is privileged, and the Chair therefore recognizes the gentleman from New York.

Mr. FITZGERALD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7898), making appropriations to supply urgent deficiencies in appropriations for the fiscal year 1913, and for other purposes. Pending that motion, I ask unanimous consent that general debate be limited to four hours, two hours to be controlled by the gentleman from Massachusetts [Mr. Gillett] and two hours by myself.

Mr. MANN. Mr. Speaker, reserving the right to object, may I ask whether the four hours are likely to be occupied or whether it will be the intention to proceed with the consideration of this bill under the five-minute rule to-day?

Mr. FITZGERALD. No; it would not. When the four hours are occupied I will move that the committee rise.

Mr. MANN. After the general debate is concluded does the gentleman intend to move to rise if that should occur before 5 o'clock? I think the House ought to know whether we are going into the bill under the five-minute rule to-day.

Mr. FITZGERALD. It depends upon how early we conclude. If the gentleman expects to use all the time on that side I am quite certain that the two hours will be used on this side.

Mr. GILLETT. I will say to the gentleman I hope we can get through on this side with something less than two hours.

Mr. FITZGERALD. How much less?

Mr. MANN. We want two hours if you do.

Mr. GILLETT. Of course we do not waive the two hours, but I mean it is quite possible we may not use it all.

Mr. HINEBAUGH. I want half an hour.

Mr. GILLETT. That is taken care of.

Mr. MANN. The House will have to meet to-morrow evidently to finish the bill; why not have an understanding?

Mr. GILLETT. I have no objection to having an understanding that at the conclusion of the general debate to-day the committee shall rise.

Mr. EDWARDS. Will the gentleman from New York yield for a question?

Mr. FITZGERALD. Certainly.

Mr. EDWARDS. How much of the two hours on this side is spoken for already?

Mr. FITZGERALD. Well, the gentleman from Maryland [Mr. Lewis] wants from 45 minutes to an hour, and the gentleman from Missouri [Mr. Borland] is in the same position; I think he wants an hour.

Mr. EDWARDS. It is practically all spoken for. I have no objection.

Mr. FITZGERALD. Those are the only requests that have been made for time.

Mr. ADAMSON. Mr. Speaker, I assume there will be sufficient liberality under the five-minute rule so that important matters can be discussed.

Mr. FITZGERALD. There are some matters which will arise during the consideration of the bill of considerable importance, and so far as I am concerned Members will have opportunity to discuss them within reasonable limits.

Mr. MURDOCK. When does the gentleman expect to get through with this bill?

Mr. FITZGERALD. It depends upon the ability of Members to curb their desire to discuss items.

Mr. MURDOCK. Does the gentleman expect to conclude it by Friday?

Mr. FITZGERALD. I should like to conclude to-morrow night, so far as my personal convenience and comfort are concerned.

Mr. MURDOCK. It all depends, I will say to the gentleman, on how liberal he is under the five-minute rule, for if continued extensions are given—

Mr. FITZGERALD. If Members are interested very deeply in items in the bill or in those which are eliminated, I doubt if it would be proper to try arbitrarily to decline to give opportunity to such Members to discuss such matters.

Mr. MURDOCK. I think the gentleman is right about that.

Mr. FITZGERALD. I think important matters should be discussed liberally.

Mr. MURDOCK. When we reach a matter of the magnitude of the Commerce Court I do not think it is fair to hold Members down to the five-minute rule.

Mr. FITZGERALD. I do not either, and I believe we should arrange liberally to have matters fully discussed.

The SPEAKER. Before the Chair puts that motion the Clerk will read the following change of reference.

Mr. FITZGERALD. Is there objection to the request?

The SPEAKER. No.

#### CHANGE OF REFERENCE.

The SPEAKER. If there be no objection, the Committee on Railways and Canals will be discharged from the further consideration of the bill (H. R. 6854) to provide for the purchase or condemnation of the Chesapeake & Delaware Canal, and the same will be referred to the Committee on Rivers and Harbors. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to ask whether this change of reference is made at the request of the two committees?

The SPEAKER. It is made at the request of Mr. Moore, of Pennsylvania, who introduced the bill.

Mr. MANN. Well, it plainly was referred to the correct committee in the first instance.

The SPEAKER. The gentleman from Pennsylvania [Mr. Moore] informs the Chair that sometimes that kind of a bill has been referred to the Committee on Rivers and Harbors, although the Chair can not see why—

Mr. MANN. The Rivers and Harbors Committee does not have jurisdiction, and if it reported the item in the river and harbor bill it would be subject to the point of order, although I do not care who has the bill.

Mr. SPARKMAN. I think the proper reference of a bill like that is to the Committee on Rivers and Harbors. We have had that matter up quite a number of times, and I think the precedents of late years certainly are in that direction.

The SPEAKER. Is there objection to the change of reference? If not, it stands.

There was no objection.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. DIES, for two days, on account of sickness.

To Mr. MORGAN of Louisiana, for two weeks, on account of important business.

#### URGENT DEFICIENCY BILL.

The SPEAKER. The gentleman from New York moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7898, and pending that motion he requests that general debate be limited to four hours, he to control one half of that time

and the gentleman from Massachusetts [Mr. GILLET] the other half. I suppose the gentleman from Massachusetts has some arrangement with the gentleman from Kansas [Mr. MURDOCK] as to their division of time. Is there objection? [After a pause.] The Chair hears none.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7898, the urgent deficiency bill, with Mr. FLOOD of Virginia in the chair.

The bill was reported by title.

Mr. FITZGERALD. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. The gentleman from New York [Mr. FITZGERALD] asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. FITZGERALD. Mr. Chairman, I yield 45 minutes to the gentleman from Georgia [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I yield to the gentleman from Maryland [Mr. LEWIS] 45 minutes, or so much thereof as he may desire. [Applause.]

The CHAIRMAN. The gentleman from Maryland [Mr. LEWIS] is recognized for 45 minutes.

Mr. LEWIS of Maryland. Mr. Chairman and gentlemen of the committee, I had not anticipated that it would be necessary for me to revive the discussion of the subject of parcel post in the Sixty-third Congress. My apology for doing so this afternoon lies in the fact that greatly misinformed attacks have been made upon the Postmaster General for his administrative acts in the development of the great parcel-post service, one of which was made in the other Chamber and one here. I consider those attacks to be most unfounded, and therefore unjust. But in order to test their merit it will be necessary, with the patience of the committee, that the whole subject of the parcel post and its functions should be reviewed.

Gentlemen, we are living in a time when the workman is perhaps receiving higher wages than ever before and yet finds it increasingly difficult to make both ends meet on pay day. The condition responsible for this is known as the "high cost of living," especially in the vital necessities, which have about doubled in price in the past dozen years.

The problem is here to be solved, if possible. The Democratic Party has promised to solve it, and this promise is accepted as sincere by a majority, although many who do not distrust our purpose doubt our prospects of success. I believe the reform of our tariff laws will, in some instances, work in that direction, but I believe, too, that more than one instrumentality will be necessary for relief, and I now propose to discuss what I consider to be a very direct and substantial instrument. While the facts in connection with the high cost of living are pretty well known, they will bear, I think, a little further statement in the interest of analysis.

The report of the Secretary of Agriculture for 1910 gives the following as the percentages of the prices paid by the consumer which the farmer received for the foodstuffs named:

	Per cent.
Poultry.....	55.1
Eggs, by the dozen.....	69.0
Celery, by the bunch.....	60.0
Strawberries, by quart.....	48.9
Oranges, by dozen.....	20.3
Melons, by pound.....	50.0
Potatoes, by bushel.....	59.3
Watermelons, singly.....	33.5
Turkeys.....	63.4
Cabbage, by the head.....	48.1
Apples, by bushel.....	55.6
Apples, by barrel.....	68.0
Onions, by peck.....	27.8
Green peas, by quart.....	60.0
Parsnips, by bunch.....	60.0
Turnips, by bunch.....	60.0

The following table, giving the prices of six of the vital necessities as sold by the farmer, by the wholesaler, and the prices finally paid by the consumers, is based on the quotations of the Washington market some time back for a single day:

Country produce sold in Washington Aug. 5, 1913.

Article.	Sold to consumer for—	Wholesale price.	Farm price.	Parcel post.
Eggs (2 dozen).....	\$0.56	\$0.40	\$0.32	\$0.07
Dressed chicken (3½ pounds).....	.77	.56	.42	.03
Butter (3 pounds).....	1.05	.75	.60	.07
Country sausage (3 pounds) (as of October, 1911).....	.54	.33	.24	.07
Country ham (10 pounds).....	2.20	1.20	.90	.15
Apples (half bushel).....	(1)	.40	.25	.24

1 65 to 80 cents.

The only function performed by commerce in this case was to convey these articles from producer to consumer, for which it employed three broken acts of transportation and as many or more necessarily costly processes of commerce. For these the prices are made to jump from \$2.73 at the farm to about \$5.82 to the consumer. We shall see later that the cost of direct transportation from the farm to the kitchen need be actually almost inconsiderable. There are no actual data showing the gross figures for prices at the farm or the total paid by the consumers for these table necessities, but the following estimate is probably not far from the mark for farm products as a whole:

Last year's agricultural products were worth \$9,000,000,000 to the farmers. The Government used farm values in getting figures for this total. Assuming that the farmers kept one-third of the products for their own use, the consumers paid more than \$13,000,000,000 for what the producers received \$6,000,000,000. The cost of getting the year's products from producers to consumers amounted to the enormous sum of \$7,000,000,000. The real problem to deal with is not high cost of living. It is high cost of selling. (B. F. Yoakum, chairman St. Louis & San Francisco Railroad.)

That is to say, the farm surplus products were sold by the farmer at a sum about equal to half the value of our railways, but cost the consumers twice that much, or a sum about equal to the market value of the railways as a whole.

Gentlemen, I call your attention to a significant circumstance in this connection. With rare exceptions, the necessities we use on our tables are originally produced on the farm in retail quantities; that is, in quantities small enough to suit the needs of the consumer as a retail purchaser. The eggs, butter, hams, sausage, chickens, etc., are retail and not wholesale products on the farm before entering the roundabout processes of commerce. Nearly all the vital necessities begin in retail quantities on the farm, but at present go to (a) the selling agent, who converts them into wholesale quantities for (b) the wholesale market, which passes them on in wholesale units to (c) the retail market, which reconverts them into retail quantities and passes them to (d) the consumer, the fourth buyer, at a price which about doubles that paid by the first buyer to the grower. Here are three broken acts of transportation and four costly processes of commerce which must all be charged up in the final price.

Can the fourth buyer, the consumer, now become the first buyer? Yes; when the farmer brings his supplies to town and sells direct from the street. But this method of distribution, even when possible, and it can not be used for the cities, entails such wastes of effort and uneconomy for the farmer that the price to the consumer is little, if any, better than the cumulative commercial one. At the same time the mere cost of transportation, if it were direct, would be inconsiderable.

#### DIRECT TRANSPORTATION.

The difficulty now lies in the absence of a transportation conduit which will receive the small shipment at the farm and convey it, like a letter, direct to the consumer. And as a result when the article leaves the farm, its ultimate consumer being unknown, it goes into commerce instead of to him; is converted into wholesale or commercial forms, only at last to reach the consumer as the third or fourth buyer at double cost. The additional price is the payment, not necessarily too large, which the consumer must pay to commerce for its troublesome and costly processes. If our manufacturers had to secure their coal as fourth instead of first buyers, the accumulated price would bring many of their industries to a stop. But, thank Providence, they can buy direct. Why? Because they buy in wholesale quantities, according to their needs, direct from the mine, and have the railway conduit to ship such wholesale purchases direct to the factory. If the consumer had a like conduit for his retail purchases direct from the farm to the kitchen, he could phone or write the farmer direct and have the articles sent him direct at their first price, and fresher in the bargain. The first order would grow into a standing order, where the articles, their prices, and payment proved satisfactory, and permanent supply relations would develop, with the consumer having his regular farmer or trucker as he now has his doctor, and with the wastes of commerce—the high cost of living—largely removed.

Why should not the retail purchaser have the same privilege of buying from the retail producer which the manufacturer has to buy from the wholesale producer? He has, and would, but he lacks the transportation facilities to bring him his retail purchase. Do the facilities exist? Yes; they are all here, and he is paying now for their maintenance and service.

I do not mean to contend that all retail forms can thus be made the subject of direct sale and transportation between producer and consumer. One qualification that suggests itself is that at long range, where producer and consumer were strangers, the article would have to be standardized; i. e., it would have to possess known characteristics of value and adaptability to the intended service to enable them to deal

direct. How far the standardization of manufactured products has progressed I do not undertake to say, but it is clear that the consumer will not purchase direct from the producer, even at a lower price, without definite conviction that the article will measure up to his requirements. But where the commodity is such—i. e., where it is standardized—it is equally clear that the consumer and producer ought to deal direct. They are under an obligation to society to accomplish the act of exchange or distribution in the most economical way. And in the cases of the standardized retail forms, adequate direct transportation being provided, the intermediate economical processes only add burdens to the price, and in the case of farm products deterioration to their quality. Another qualification to this direct-dealing program is found in those products that are produced in wholesale forms which the merchant must cut into retail forms to suit his patron's needs. And to these must be added such retail forms as, traversing great transportation distances, can only be economically transported in wholesale lots. Commerce in these cases performs a distinctly valuable function. The direct-to-consumer proposition does not imply the destruction of the true business of the merchant or any interference with the natural fields of commerce where the merchant performs a useful and worthy service for society.

With these explanations I hope to be understood when I use the expression "the retail shipment" as having in view those standardized forms of production and consumption which are produced in forms and sizes suited to the needs of the ultimate consumer or the ultimate unit of purchase. And now I call attention to another significant circumstance in connection with this retail product. It is that we are practically without any means of transportation for it; without any present agency adequately performing the function of moving it to its market. Let me take time to illustrate this statement by the facts of American transportation.

#### THE RAILWAYS AND THE RETAIL SHIPMENT.

When we think of transportation, naturally we turn first to the railways of the country. I call attention to this circumstance in that connection. The railways are doing now, have always done, a wholesale business, as distinguished from a retail business. The ultimate unit of purchase, the consumer, rarely goes to a freight depot for his supplies. The railway minimum unit of shipment is a hundred pounds and its minimum charge is 25 cents. But the consumer rarely requires a hundred pounds of anything, certainly not of meat, butter, eggs, or the other vital necessities. So the railway does not handle the shipment in sizes small enough for him, and thus the shipment takes its way from the producer, not to the consumer, but by reason of its wholesale size it goes into the commerce of the country.

It may seem that the railways are acting arbitrarily in thus drawing the line on a hundred-pound shipment and the 25-cent charge. Let me say that when you come to investigate railway practices you will find that the hundred-pound minimum and the 25-cent fee are reasonable enough from their standpoint. When you consider the acts of attention which a railway must give a shipment, be it large or small, be the journey short or long, you will find there are 20, which all must bear alike. I insert a list of them compiled by a railway traffic expert:

The railway company employee—

- (1) Unloads article from consignor's vehicle.
- (2) Loads article in car.
- (3) Ascertains rate to be paid.
- (4) Makes out bill of lading.
- (5) Makes out waybill and sends copy to auditor and the train conductor.
- (6) Receiving agent, destination, receipts to conductor—
- (7) Sends notice to consignee.
- (8) Unloads package from car.
- (9) Takes receipt of consignee.
- (10) Loads it on consignee's wagon.
- (11) Agent gets money for shipment—
- (12) Copies bill of lading into record of freight forwarded.
- (13) Copies bill of lading into record of freight received.
- (14) Sends statement of freight "sent" to auditor.
- (15) Sends statement of freight "received" to auditor.
- (16) Auditor checks bill of lading against records of sending agent—
- (17) Checks bill of lading against record of receiving agent.
- (18) Advises treasurer of money due by each agent.
- (19) Makes statistical report from bill of lading.
- (20) Calculates, per bill of lading, amount payable the different railways.

Of those 20 acts of "transportation attention," 15 are at this moment replaced by the postage stamp in the carriage of the shipment by the postal system. On the large shipment the hindrance of their cost is not so great, and it can move; but their effect on the small shipment is to penalize it out of the transportation of the country.

Here are 20 acts of service which the railway—and mutatis mutandis the express company—must perform for the shipment

whether the weight or journey be great or small. Their total cost constitutes nearly the whole expense when the journey is the shortest or the weight is the lightest, while this expense tends to lessen correspondingly with the increase of the weight and the journey.

Railway tariffs frequently show rates per 100 pounds of 8, 7, and 6 cents for short distances; and we shall see later that the average rate, sixth class, for 36 miles is but 9 cents and for 100 miles but 11 cents; in fact, nearly all minimum distance rates for all the classes are below 20 cents per 100 pounds. Yet the railways must decline to carry for this published tariff and require instead a minimum fee of 25 cents however low the rate may be, even when 6 cents a hundred; and in the same way they refuse to charge the shipper on less than 100-pound lots however much less the actual weight may be. This fee of 25 cents may be said to be the irreducible minimum in freight charges.

Speaking relatively, railway accounting practices are designed and fitted for the large and not the small consignment; for the large buyer rather than the little and ultimate buyer. The desirable business of the railway comes from the wholesale unit rather than the final unit of trade or the ultimate purchaser. Accordingly the transportation practices and processes through which every shipment goes, before going in the car, while in transit, after leaving the car, and before its receipt by the consignee, are the relatively necessary incidents of the large shipment, the cost of which it can reasonably bear. But when they are applied to the small shipment or the retail unit under 100 pounds their cost has driven it out of transportation commerce.

#### THE EXPRESS COMPANY AND THE RETAIL SHIPMENT.

When we think of the "small" shipment, we think of the express company. It ought to carry this shipment, at least between the railway towns and cities, and meet such needs as the parcel post. It does not, and for two reasons, neither of which can it remedy: First, it does not reach the farm or country store either to receive or deliver the shipment; second, it does not carry it on sufficiently economical terms. It is burdened down with the same condition of "transportation accounting" that prevails with the railways. I insert a list of express processes, 11 in number, which are replaced by the postage stamp in the postal carriage of the shipment:

The express company—

1. Ascertains the rate to be paid.
2. Makes out waybill.
3. Copies waybill into record of shipment "forwarded."
4. Copies same into record of shipments "received."
5. Makes statement of "shipment sent" to auditor.
6. Makes same of shipment "received."
7. Auditor checks waybills against record of "sending" agent.
8. Auditor checks same against record of "receiving agent."
9. In case of "through" waybills, previous items repeated.
10. Auditor makes division of percentages going to express company and the railway or railways.
11. In case of "through" waybills, auditor makes like divisions of percentages between express companies and railways.

The above acts alone account for an immense proportion of the expenses of the express companies, and are fatal to the making of a rate proportioned to the small shipment.

No railway or express company has so far ventured an experiment of elimination of these accounting practices. It is, perhaps, not too broad a statement to say that railway and express transportation accounting are necessary to intercorporate dealings and the large shipment, and can not be dispensed with by either. As long as the individual railway and express companies are our agencies of transportation for the small shipments we can not complain at paying for the practices they find necessary, and neither is institutionally qualified to economically handle the small shipment.

I think it is sufficiently obvious that the express company can not be made to reach the farm or the country store. This circumstance renders it incompetent to discharge at least half its functions, for farm-to-town traffic in retail shipments would constitute at least half the potential traffic. But the express company is unable to fully perform its function of moving the potential traffic even between railway points; and this because its rates are relatively prohibitive.

#### PROHIBITIVE EXPRESS CHARGES.

We should expect express charges to be higher per ton here than abroad—as much higher relatively as our freight-per-ton charges. But no necessary economic cause is known which justifies a substantially higher proportion or ratio of the express to the freight charges here as compared with other countries. The average express charge per ton here is shown to be \$31.20, while the average freight charge is \$1.90 per ton, giving a ratio of the express charge to the freight charge of 16 (16.42) to 1. This express charge includes the cost of such collect-and-delivery service as is rendered, covering, it is thought, about 90 per cent of the traffic. In the table now inserted the element of the expense of the express companies for collecting and de-

livering, amounting to 11.50 per cent, is excluded, because many of the countries do not include this factor of cost. The table embraces 10 countries, while the specific data upon which the ratios are based are set forth in Senate Document No. 379, page 64, Sixty-second Congress. All countries have been included where the express data are clearly distinguishable from general freight statistics.

*Ratios of average express charges to average freight charges in 11 countries.*

Countries.	Average express charge per ton.	Average freight charge per ton.	Ratios of average express to freight charges.
Argentina.....	\$6.51	\$1.95	3.2 to 1
Austria.....	3.77	.74	5.0 to 1
Belgium.....	14.92	.53	19.3 to 1
Denmark.....	5.49	.87	6.3 to 1
France.....	6.88	.95	7.2 to 1
Germany.....	3.80	.76	5.0 to 1
Hungary.....	3.68	.93	3.9 to 1
Netherlands.....	2.43	.67	3.6 to 1
Norway.....	1.90	.49	3.8 to 1
Prussia.....	4.32	.86	5.0 to 1
Average for 10 countries.....			5.23 to 1
United States.....	27.61	1.90	14.53 to 1

<sup>1</sup> Belgium and Denmark deliver parcels.

From this table it appears that while Argentina charges three times, Austria five times, Belgium nine times, Denmark six times, France seven times, Germany (including Prussia) five times, Hungary, the Netherlands, and Norway about four times as much for carrying a ton of express as of freight, the express companies of the United States charge nearly fifteen times as much, excluding the cost of their collection and delivery.

No further statement need be made to show that the charges of American express companies are prohibitively excessive and such as to disqualify this service as a transportation agency. The instances given represent matter carried by passenger trains in all instances. The abnormal and prohibitive effect of American express rates are only too marked. In the 10 countries referred to the rates are such as to permit the movement of 1 (1.06) per cent of the total rail traffic by express, at a gross charge of about 6 (5.89) per cent of the general freight revenues. In the United States the express matter moved amounted to only one-half (0.517) per cent of the total freight tonnage, but for it the express companies collected a gross sum equal to about 8 (7.776) per cent of the railway freight revenue, or a charge equal to 316 per cent of the normal rate as indicated in these 10 countries.

#### REGULATION OF EXPRESS RATES.

It may be suggested that such inhibitory high charges may be remedied by the regulatory action of the Interstate Commerce Commission. While the express reports show that the profits of the companies are clearly out of all proportion to the investment, they also show that these profits were but 8.44, 9.17, and 6.70 per cent of the gross receipts, or the average express charge, for the years, respectively, of 1909, 1910, and 1911. If all the profits were taken away the rate would not be substantially reduced, while of course no such reduction would be asked of or considered by a Government tribunal. A simple illustration of the regulatory function at work on a transportation rate will suffice to show the inapplicability of that method to the present express business. To illustrate: The weight of the average package in 1909 was 33 (32.52) pounds, which brought a gross rate of 51 cents. Of this 47.50 per cent was paid to the railways, leaving a net profit to the express company of 4.25 cents in 1909, and 4.50 and 3.35 cents in 1910 and 1911, respectively, on the average package, or a general profit on the business of 8.43 per cent, 9.17 per cent, and 6.70 per cent for the years named, but yielding the companies more than 100 per cent returns on the real investment for each year. What does all this mean? Simply that, although securing utterly egregious returns on the investment, they must rely for their profits on a percentage of the rate, or a margin so small that they can not safely make it smaller and be sure of any net return. The arithmetical margin of one-half of 1 per cent would, if it came, give the 10 per cent return, but the slightest unfavorable perturbation of the traffic might convert this favorable margin into an unfavorable one, i. e., from a profit to a deficit.

It has been proposed that the express company be abolished and the railway companies compelled to do its work. Obviously, the railway could not be expected to articulate with the farm or nonrailway points any better than the express company. But even so, it is doubtful whether converting 14 express com-

panies into as many companies as there are operating railways, perhaps 700 in all, would help matters. The probable result of such a change is, perhaps, not overstated in the following extract from a letter of the president of one of our largest railway systems. He says:

It is gravely to be doubted if the railways, as a rule, could transact the (express) business so as to net as much out of it as the express company pays them.

Assume that the roads radiating from Chicago should cancel their contracts with the express companies and organize to handle small packages, the first result would be an enormous economic waste in the duplication, triplication, and quadruplication of terminal expenses. At present the collection and delivery for a dozen roads is in the hands of one agency. Multiply this by the hundreds of cities and towns where the same conditions would prevail and it is easy to see that the \$11,000,000 of profit the express companies secure might readily fall short of what the railroads would lose should they discard the agency.

#### THE REMEDY.

And now it is asked if neither railway or express company does or can discharge the function of transporting this retail shipment, why does not our parcel post do it? This is a fair question, and upon its answer, I think you will agree, depends the whole solution of the problem.

Gentlemen, it is exactly true to say that our parcel post does not discharge the function, only because it is not permitted to do so; only because of restrictions upon its free operation, which can be administratively removed. I make these strong statements only with the object of proving them. Sirs, the restrictions upon the parcel post which prevent its achieving its great function are:

(a) The weight limit, 11 and 20 pounds, which prohibits it from moving a normal shipment.

(b) The pound rates, which, excepting on the first 150 miles, are prohibitively high and many times as high as the cost of the service.

On the rail zones the pound rates, excepting the charge on the first pound, are:

On the 300-mile zone, three and one-half times the cost of service.

On the 600-mile zone, two times the cost of service.

As a matter of fact, except for 150 miles, the pound rates only correspond with the cost of service at 2,900 miles, where the rate is 12 cents a pound; which is, of course, a prohibitive rate and distance.

I will insert a chart (Chart "A"), showing graphically the disparity between the present rates, express rates, and the rates indicated by the costs of service. Since the chart was made the rates for 150 miles have been reduced from 3 and 4 cents to 1 cent a pound. (See p. 4160.)

In an appendix I set out the three-day test reports for the 50 largest cities doing, as experience has shown, one-half the ordinary postal business of the country. This shows the average weight of the shipment to have been just 1 pound, or, omitting the old fourth-class matter from the computation, the new shipments average but 3 pounds each. Now, since the shipment by express averages over 32 pounds, it is not difficult to see how the weight limit and utterly irrational rates operate by their restrictive influences to prevent the parcel post from giving relief from abnormal express charges, as well as an agency for direct-to-consumer transactions.

Gentlemen, if these restrictions—I mean the weight limit and irrational rates—are removed from the operation of the parcel post, I confidently predict substantial relief to the consumers of the country.

Gentlemen, I congratulate the country that the Wilson administration is in a position to remove these restrictions, and thus to provide a system adequate to meet our great need of direct transportation. The legislation provided by the last House (Congress) is ample to enable the postal system to fully achieve this great result. And it can do it without an additional line of legislation by administrative process.

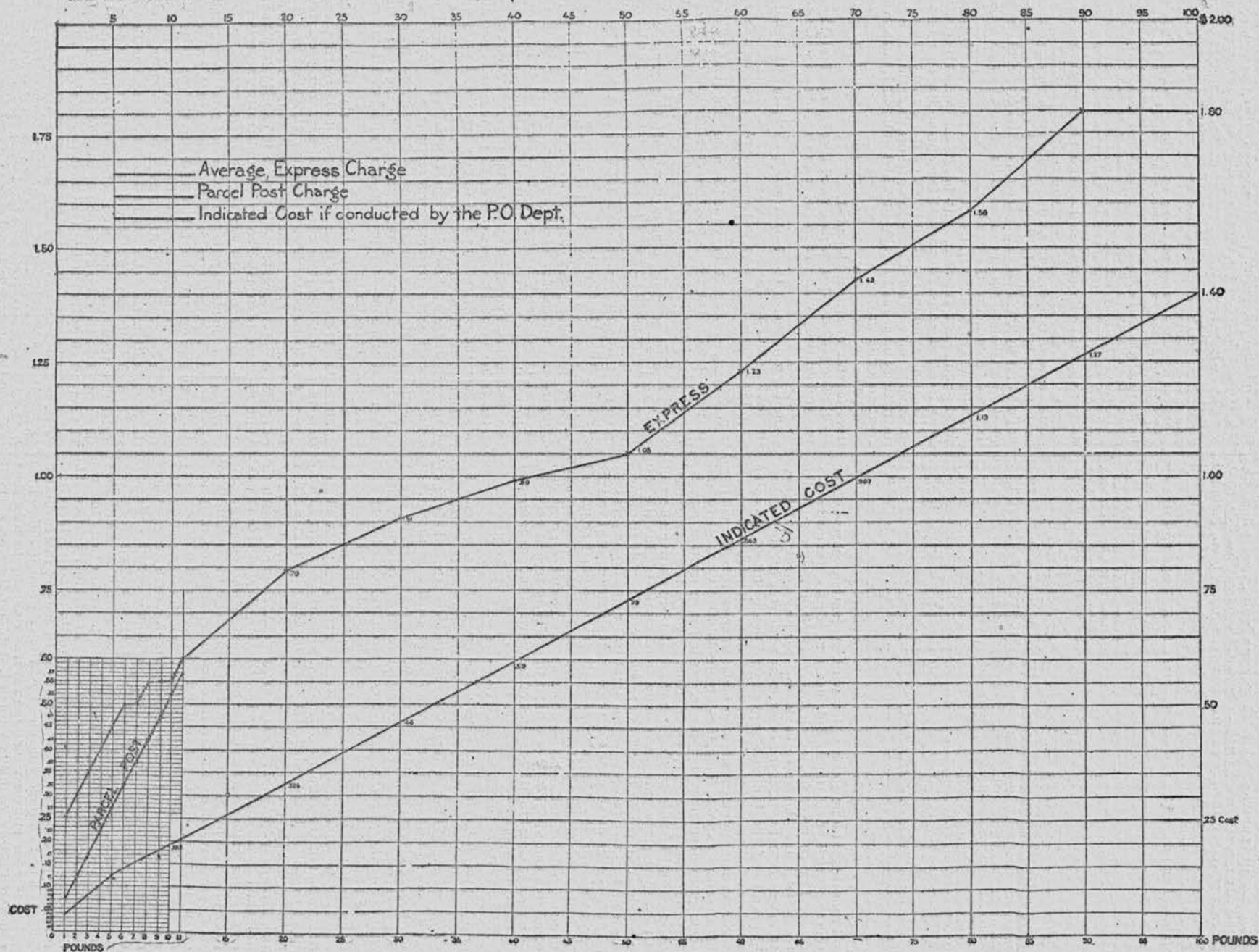
#### SUBJECT EXPERIMENTAL AND CONSTRUCTIVE.

To begin, I should say that the work of establishing and conducting this service is essentially experimental and constructive in character, and this fact was distinctly recognized in the act itself. Congress clearly saw that the task of adjusting the features and processes of the service—i. e., the weight limit, the classification, the zones, and other conditions—to the various requirements of commerce could not well be encompassed by legislative regulation, and so it charged the responsibility in this respect to the administration of the Post Office Department. The act provides that if the Postmaster General—

find on experience that the classification of articles mailable as well as the weight limit, the rates of postage, zone or zones and other conditions of mailability or any of them are such as to prevent the shipment of articles desirable, or to permanently render the cost of the service greater than the revenue, he is hereby authorized, subject to the consent of the Interstate Commerce Commission, to reform from time to time such classification, weight limit, rates, zone or zones or conditions (of mailability) or either in order to promote the service to the public or to insure the receipt of revenue adequate to pay the cost thereof.

Chart "A"

CHART SHOWING AVERAGE EXPRESS RATES, AND PRESENT PARCEL POST RATES, FOR 1 POUND UP TO 100 POUNDS, FOR A DISTANCE OF 300 MILES, AS COMPARED WITH THE INDICATED COST OF THE PARCEL POST SERVICE.



And now, Mr. Chairman, comes the more particular occasion for my address this afternoon. I am sure the older Members will remember the circumstances attending the passage of the parcel-post measure in the last Congress, a copy of which I will append to my remarks. On the part of the House I am sure the feeling was that the rates included in the measure as it passed the Senate were utterly inordinate and extravagant as compared with the cost of the service. The House realized, as I believe all men will realize who give this subject a common-sense and businesslike investigation, that, after all, the making of transportation rates is not a legislative function. In all the history of this body it has never assumed to make transportation rates. The subject of railway freight rates is referred to a tribunal specially constituted with reference to qualifications to do that work well. So, too, of the express rates. This body has never attempted to formulate express rates. Therefore the House wisely, in my judgment, inserted in the bill which it passed, and which I had the honor to prepare, a provision giving the Postmaster General the power to make these changes of the rates, the weight limits, the zones, the classification, and all the conditions of mallability. He therefore enjoys over that subject matter the same power that a railway president and its board of directors enjoy over the making of transportation rates, with, however, the same qualifications that such changes in rates, and so forth, must secure the approval of the Interstate Commerce Commission. If this power were denied to the Postmaster General he would be the only shipper, not to say the biggest shipper, in the United States who could not go to the Interstate Commerce Commission to have wrong rates righted.

In quarters inimical to this legislation, or especially to the acts of the Postmaster General in extending the weight limit and in rationalizing the rates, it is suggested that the power in this bill as it passed the House was an utterly unprecedented power. I beg to make correction of that statement. The English parcel-post act contains the same power, if not in the same words, and the whole schedule of rates and weight limit of the English parcel post had to be revamped by the Postmaster General almost before a pound of traffic moved. At first the weight limit was 7 pounds. It is now 11 pounds by administrative revision. The rate was 4 cents a pound. It is now made 2 cents a pound by the same process. In Austria, in Hungary, in Belgium, and in other countries the same power has been given to the administrative officer, because the function itself is administrative and therefore can be exercised wisely only in that way.

I will claim as much as any man ought to claim for the wisdom of this body and the other body of Congress, but there is one thing that distinguishes the multitude from the specialist, or the tribunal constituted in small numbers. The multitude will act upon principles as reflected in general feelings and general ideas, with, perhaps, the best attainable results; but the multitude is not organized for performing the operations of algebra or of fractions. And in this sense Congress is a multitude. Indeed the necessity for having this work done administratively will appear, I am sure, when we come to analyze the functions of a transportation rate.

What must a rate do? Pardon me if I am repeating a mere truism. A transportation rate has two things to do. First, it ought to move the potential traffic. If it does not move the potential traffic it is a mere paper script, utterly valueless, and might as well be written for the planet Mars as for our own people. The rate therefore must move the traffic in order to be a rate. But at the same time it must protect the Treasury, because transportation will soon cease if it must be conducted with recurring deficits or permanently at a cost less than operative expense.

Now, the delicate task of adjusting the rate to perform the maximum of service in moving this potential traffic at the same time that it conserves the Treasury is, I submit, not one that could be well performed by a legislative body. There are plenty of men in the United States who, with some instrumental aids, can look at the sun to-day and tell us within five seconds the time of the day; but we, with all our wisdom, would hardly be able to duplicate that work. And I submit that the illustration is none too strong for the question of the rates necessary in order to make our parcel post a success.

Now, there was another criticism made. It was that the rates instituted by the Postmaster General were too low to pay the cost of the service. I believe the gentlemen who made those criticisms will be willing to reform their views upon that point upon further minute and painstaking study upon this subject and join the rest of the country in its just applause of a loyal and capable Postmaster General, who after generations of neglect is engaged in building up, upon sound foundations, a postal express system as promised in the Baltimore platform, with the

greatest of profit at the same time to the postal system and the people.

The assertion was also made that this power had not been considered except in conference. I have already disposed of that statement. The power was the principal feature in the House bill.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. LEWIS of Maryland. Certainly.

Mr. MURDOCK. I confess that I have never heard the explanation, and if it will not take too long I would like to hear it at this time.

Mr. LEWIS of Maryland. What explanation is that?

Mr. MURDOCK. The gentleman said that this discretion which had been granted the Postmaster General did not originate in conference.

Mr. LEWIS of Maryland. It originated in the House. The Senate passed one bill without this power, a bill I think it a duty to characterize as a mockery of the parcel-post institution. That bill came over to the House, and at the request of Leader UNDERWOOD I prepared a substitute measure. The substitute bill passed this House and contained these powers. In conference all of the principles of the House bill, the inclusion of farm and factory products, the right of insurance, the C. O. D. privilege, and others, without the House rates, were adopted, and the rates of the Senate bill were temporarily adopted, but only accepted on the part of the House because these powers retained in the bill were ample to correct the excessive and impossible rates the Senate had seen fit to impose.

Mr. Chairman, the Postmaster General, then, subject to the corrective examination of the Interstate Commerce Commission, has been placed under responsibility for the constructive development of this great service; and the act gives him plenary power to meet that responsibility.

In this work of construction let us notice briefly the elements most essential to a complete structure:

#### ELEMENTS ESSENTIAL TO AN ADEQUATE SYSTEM.

- (a) Simplicity and universality.
- (b) A public-service motive.
- (c) Expert administrative, and not rigid, law-made rates.
- (d) Rates insuring mobility of traffic. Passenger and fast-freight express.
- (e) Business weight limit; and classification permitting movement of desirable traffic.
- (f) Rate of railway compensation just to railways, and to the potential traffic. Collect and delivery.
- (g) Administrative efficiency.

#### UNIVERSALITY AND SIMPLICITY.

Gentlemen, the postal service sustains relations to the world of men and of business interests, perhaps the most direct, simple, and universal of all economic if not all human institutions. I will not enlarge upon this theme except to say that its transportation network reaches where no other extends—to the farm, with over a million miles of rural conveyance, over our railways 250,000 miles in extent, across every sea and ocean, and by co-ordination with the postal systems of other countries, it embraces every hamlet on the globe, with a universality of manual service practically coextensive with the human family. It covers all this mass of complexity with the fewest and the simplest rules. Ask the child on the street how to send the smallest of shipments, the mail piece, to a person and a place unknown to him, even to Timbaktu, and he will tell you what to do, and correctly. But make that shipment 12 pounds, and you may be lucky to find an acquaintance who knows how to ship it outside your own country. The postal system possesses almost perfect universality in the way of extension, but it possesses besides the highest simplicity of method and process; and with these a directive force and intelligence to match its ubiquity. Seventeen billions of mail pieces last year traversed 2,000 railway systems as if they were but one, such is the postal faculty for converting the complex into the simple. And, need I repeat it, it is just this kind of simple and therefore economical treatment that the small package requires.

#### SIMPLICITY—ZONES AND RATES.

On the Prussian railway system, which moves nearly 400,000,000 tons of traffic, or nearly half the traffic of the railways of the United States, the class traffic travels on a rate schedule not larger than one's hand and nearly simple enough to carry in one's memory, while the freight rates of the United States are said to number 800,000,000,000, counting place-to-place rates. In Prussia, the shipper, by ascertaining the class, weight, and distance of his shipment, can inform himself exactly what the cost of shipment will be. The express rates of the United States are said to fill, like books, 120 feet of shelving in the offices of the Interstate Commerce Commission, and number probably not

less than thousands of millions. No shipper can ascertain what his rate may be without appealing to the express agent, and such is the complexity and confusion of the rates that, off the beaten lines of traffic, even the agent in practice can not measurably well quote them with accuracy. The individual railway or express company can not correct this great evil for want of that uniformity of relation to the subject which alone permits of simplicity; and yet the trouble burdens of rate finding are often as serious, economically considered, as the resulting excessive rates themselves.

Gentlemen, it is patent that the parcel-post zones now in use fail to meet the great public need for simplicity. There is no constancy of extent in the zones, and no such constancy in the pound charge as to enable one to determine the progressive rate for increasing distances without a rate sheet. After the local, the zones are now 50, 150, 300, 600, 1,000, 1,400, 1,800 miles and above, while the pound rates are 1, 3, 4, 5, 6, 7, 9, 10, and 12 cents. Now, all this irregularity and complexity is without, as we shall see later, any necessity or justification in the actual costs of conducting the service.

But the postal system has no purpose to serve in having a complex rate structure. It is only under one limitation in the effort of making a simple rate, and that is that the rate shall not be less than the cost of service. And that condition involves but two factors, the circumstances of weight and distance. We shall see later that these factors permit of a rate for all weights and distances of—

(a) Three cents for the first pound the first 100 miles carried;

(b) Plus one-half cent for each additional pound for each 100 miles of distance.

This simplicity is attained by merely getting sufficiently acquainted with the facts of cost, and letting such facts express themselves in a generalization to make the rate. Here the rate units are almost self-memorizing, the zone always 100 miles, the rate always a half-cent per pound per zone, and the equally constant charge of 3 cents for the initial pound.

#### THE PUBLIC-SERVICE MOTIVE.

In institutions, as with individuals, motive is everything. The motive to serve one's self is the common motive, and to impose sufficient restraint upon its operation when too unsocial is, stated in a broad way, the principal object of government. There is much illogical complaint in this respect against what are called "public utilities." Their owners, who have invested their money with the purpose of gain, are expected to behave differently from investors in general. Of course they do not, but why should we expect them to? Because they have a monopoly, it is argued. Well, this may impose an inferential duty, yet who will say that it can have any decisive influence upon the normal motive of the investor to gain all he can?

Where public needs and social considerations, as in this instance, become the principal and dominating purpose, where imperative public service is the object, the world naturally has not yet found the restricted private motive adequate to the work. Now, besides proficient rate makers and elastic rates to move the traffic, something else is required in order to get the best results out of this small-shipment traffic. I hope I shall not be misunderstood when I suggest that the private motive has shown itself to be inadequate. Suppose you go to an express company to-day and say, "You moved 4,000,000 tons of express last year, and your gross receipts were \$132,000,000, and your profits were \$11,000,000. Cut your rates in two this year and the traffic will amount to 8,000,000 tons. Your profits may be less, but the service to the public will be doubled." What would an express company do?

It would do just what the average individual would do—act on the natural private motive, retain the higher profits and the smaller business. But you go to a public-service institution like the postal department and you find a wholly different motive. The postal system would say, "If cutting the rate in two will double the service, I will take my chances with the profits." That is exemplified in the reduction of postal rates throughout their history.

Even a small deficit for experimental purposes would be justified, especially if the rate were elastic and the postal department could protect itself by adjustments of the rate. If, for example, you were to start out with the assurance that the service would be doubled, but that there would be a deficit of 1 per cent, to ultimately disappear with the development of the traffic, a public-service agency like the post office would be more than justified in such a step, because in that instance while it is losing 1 per cent in one pocket it is making 100 per cent in the other pocket—the people and the postal system being identical terms.

Now, the express companies constitute the most irrefragable monopoly; and where monopoly obtains rates can be made relatively high or low, within limits, according as you wish to regard the dividend. An English railway some 60 years ago had the question presented to it as to how to graduate its passenger rates to secure the best dividend. Much as one adjusts his opera glass in the theater to obtain the clearest line of vision, these railway officers adjusted the passenger rates. They tried rates all the way from 6 cents a mile to one-half cent a mile, and found that as the rate was  $3\frac{1}{4}$  cents a mile or one-half cent a mile, the higher charge produced 6 per cent and the lower charge, with much greater traffic, only 5 per cent dividends; and acting on the private motive they rejected the rate which produced the greater public service. But in such a case all would say that a system in which we all are stockholders, like the postal department, would be foolish to prefer the 3-cent rate and kill so much useful traffic. Like the attendant at the theater, proficient rate makers in postal transportation would adjust their rates to move the greatest amount of traffic consistently with the cost of the service, and in order to reduce the average cost of each shipment the greatest possible amount of traffic should be moved.

#### PROFICIENT RATE MAKERS AND ELASTIC RATES.

One of the boasts of American railway administration has been that in spite of obstacles and the admitted evils of discrimination, taking their freight rates in a larger view, they have been made so as to move the products of the farm and the factory to their natural market, when once gotten to the rail, and usually with a profit to the producer. In order to do this there has been for two generations an adaptation of the rate to what the article will bear and move to its natural market. They could not have accomplished this measurably well, as they have, either on flat rates or mileage-distance rates, nor yet by charging each shipment a quantitative proportion of the cost of the whole service. To adopt rates that an article can not pay and move to its market with a profit is, in effect, to deny the article the right of transportation. Any universal rate, i. e., law-made rate, incapable of change with changing conditions must, on this account, with respect to a large part of the traffic, be prohibitive. The express companies have yielded somewhat to this consideration, for they have rates which will permit some articles to move as to which their merchandise rates would be mere destruction. It is patent enough that law-made rates would be too rigid, even if first rightly made.

It is only once in a generation that Congress commonly gives its attention to a noncurrent subject, and as traffic conditions would require almost constant adaptation of the rates in the interest of the service and the public served, an administrative agency is wisely charged with the duty of making rates and determining the many other minutiae of the system. In no country where government ownership of railways obtains are the rates legislatively made. The subject is one calling for administrative rather than legislative attention. Congress in practice would either make the rates too high, the actual parcel-post situation, and inhibit the potential traffic, or make them too low, like second-class mail, and work a needless deficit on the department, saying nothing of the special-rate privileges thus created and always hard to dislodge. With the progress of government and civilization, Congress, without rate making, will have more than enough general legislative work to do, and it is only the dreamer and toy maker who should wish to impose a nondepartmental and equally inexpert and unadapted rate condition upon the commerce of a country. With our long distances and corresponding dependence on adequate transportation conditions, the argument for real competency in the rate makers, rather than a "bill writer," becomes unanswerable. Congress has never undertaken to make freight or express rates. It assigned the work instead to the commission, which has a like corrective power under the parcel-post law.

There is as much reason for leaving it there and as little for taking it away under the proposed system as the present.

#### RATES TO MOVE POTENTIAL TRAFFIC TO ITS NATURAL MARKET.

Speaking categorically, gentlemen, the function of transportation tariffs is twofold:

(a) The function of the whole body of rates, taken collectively, is to produce sufficient revenue to pay the costs of the service, including capital charges.

(b) The function of the individual rate is to move the potential traffic to its natural market.

If the body of rates is so low as to defeat the first object, transportation will soon cease; if it is so high as to prevent the movement of shipments in the amount demanded by normal needs, then to that extent transportation can not take place at all. This is what has happened with our parcel post. It has

been prevented from moving the potential traffic by the weight limit and the excessive rates, which, as we shall see presently, simply amount to economic robbery of the shipper when compared with the costs of the service. I shall now proceed to discuss in detail the economics of these restrictions, as well as some subsidiary incidents, together with the changes necessary to be made.

#### THE WEIGHT LIMIT.

Gentlemen, there is a gap in the transportation of this country between the 100-pound minimum of the railways and the 11 and 20 pound maximum of the present parcel post. It is a gap which the express company can not fill, because its service does not reach the country, about one-half of our population, and because its rates are prohibitive for the larger part of the potential traffic even where its service obtains, as I have shown at an earlier point in my remarks.

With respect to the weight limit for the parcel or express post service the practices of different countries differ somewhat, not for any formal or stated reason, but more probably from the accidents of legislative growth, when not as the result of transportation conditions that render the higher postal weight limits unnecessary. Principal among these reasons, as in Great Britain, is the circumstance that the railway itself provides a weight limit so low as to enable the smaller shipments to move. The railway rates of England are graduated down to 2 pounds, with a collect-and-delivery service attached which embraces all the class traffic. All the continental railways give a weight limit, or rather graduate their rates down to a weight minimum, as low as 22 pounds, and have in fact an organized collect-and-delivery service, conducted by "spediteurs," which assembles the small shipments into wholesale or carload lots, insuring thus not only a door-to-door service for the small shipment, but the lowest transportation rates. In the United States the parcel or retail shipment function so far as discharged is in the hands of the express company, our de facto parcel post. They have no maximum weight limit, but justly leave that incident elastic to the exigencies of the shipment and to the effectual limitations imposed by the burden of the higher rates exacted as compared with fast freight. That the railway minimum of 100 pounds is not frequently exceeded in the express traffic is shown by the circumstance that less than 5 (4.94) per cent of the aggregate number and but 24 (24.21) per cent of the total weight of express shipments exceeded this 100 pounds in 1909, while the average weight of shipments was 33 (32.80) pounds. In Austria there is in fact no parcel-post weight limit, while other countries give a weight limit of 110 pounds or more, as follows:

	Pounds.
Germany	110
Belgium	132
Switzerland	110
Hungary	110
Russia	120
Roumania	110
Luxemburg	110
Sweden	110
Norway	110

That the comparative expensiveness of the rate can be relied upon to effectually exclude the weightier shipments from the postal service is recognized by our own postal statutes. The postal law, as to weight limits, provides as follows:

First class	No weight limit.
Second class	No weight limit.
Third class	No weight limit on single books.
Franked matter	No weight limit.

It may fairly be asked, What is the logic of fixing a weight limit on fourth-class matter—parcels—when there is no limit on first class, second class, franked matter, or on indivisible articles, such as single books, in the third class?

Mr. KELLY of Pennsylvania. I would like to ask the gentleman a question. The rate is now on a limit of 20 pounds?

Mr. LEWIS of Maryland. Within 150 miles.

Mr. KELLY of Pennsylvania. What was the reason for fixing that limit at 20 pounds in the 150-mile zone?

Mr. LEWIS of Maryland. The reason was a trivial one, apparently, and yet one absolutely obligatory in character. The post-office system did not have scales weighing more than 20 pounds, and it would take five or six months to get them.

Mr. KELLY of Pennsylvania. I would like to ask the gentleman a question along that line, as to where the responsibility rests as to putting in scales that would weigh only 20 pounds when the obligation reaches 100 pounds or more?

Mr. LEWIS of Maryland. I do not know.

Mr. Chairman, two conflicting requirements are to be considered, it seems to me, in determining the weight limit, requirements that, however, can be reconciled. The first calls for a weight limit high enough to enable the system to discharge its function of transporting the retail shipment when called upon.

The second calls for a weight and size limit restricting the shipment to a form which may be economically handled by postal agencies; that is, a form calling only for the usual facilities employed for such handling. It would not be economical to equip every post office, and certainly not the rural routes, with the unusual trucks and implements necessary to handle the exceptionally heavier and unusual weights. I believe the express companies do not commonly so equip themselves even where they undertake such deliveries, but hire as occasion requires, or leave the act of collection and delivery in such cases to the consignor or the consignee. Such a rule imposes no serious hardships upon the shipper or impediment to commerce not now borne with freight. Now, the difficulty of handling these greater or unusual weights would not be met while the shipment was on the rail; and it is therefore suggested that any weight limit fixed upon should apply only to such shipments as the postal authorities undertook to collect and deliver, and not to those delivered direct to or taken direct from the postal termini at the railways.

Let the rule then be 100 pounds limit where collect or delivery service is extended, with no weight restriction where the shipment is delivered to or taken from the railway, as in the case of funerals, by the shipper. Such a regulation would protect the postal administration from unusual and therefore costly and uneconomical pick-up and delivery labors, while extending the service extensively enough to discharge the full function of providing transportation for the retail shipment of all weights and sizes direct from producer to consumer.

Assuredly the 11-pound weight limit is an unnecessary denial of a necessary privilege to the farm, where the express company can not go, and seems quite unnecessary in the towns where the wagon delivery service now is working and capable of delivering the 100-pound shipment as well as the others. A constituent writes me that she sent her son John a turkey, 10 pounds, but that the one designed for Henry was rejected because it weighed 12 pounds. Of course, the weekly market basket filled with a worth-while load must exceed the 11-pound limit in nearly all cases, and what with the irrational and economically unjustifiable parcel rates, which I will discuss later, can only have the effect of preventing the movement of farm products direct to the consumer.

A rather pathetic illustration of the occasion for relief from the weight limit and express charges is found in the shipment of corpses, a case falling exactly within the rule of no weight limit for cases of delivery to and collection from the railway termini, where both services are customarily performed by funeral agencies and not by the express companies. Their charge for this service, mere rail transportation, is twice the first-class passenger rate; that is, about 6 cents a mile, with a minimum charge of \$5 for the shortest distance. The express-railway contracts, however, provide that the railway may carry the corpse as baggage at the rate of one first-class fare, coupled with the condition another first-class fare is bought by a passenger—i. e., a friend of the deceased, who will make the journey to the destination. Obviously it costs no more in service to carry the remains by express without a coincident passenger on the train, and just as obviously it costs no less for the railway if there be such a passenger. I understand the fact that railway rates are necessarily taxes, but the double charge of the express companies is not taxation; it is a mere case of wanting the money and of taking advantage of the dearest emotions and holiest sentiment to extract it. Assuredly a merely arbitrary weight-limit restriction should not be permitted to prevent express-post relief in such cases, when the citizen is facing the most necessitous situation of his life.

#### THE SIZE LIMIT.

Gentlemen, with the enlargement of the weight limit would have to come some modification of the size limit; and this is a feature involving some difficulty to resolve by any single rule.

Mr. MURDOCK. In the change made by Postmaster General Burleson he increased the weight from 11 to 20 pounds. Did he do anything with the maximum physical dimensions of the package?

Mr. LEWIS of Maryland. The size limit was not changed, but the power to make the change applies equally to size limitations, and the size limits will doubtless be raised as the service expands. Plainly, the size limit of 72 inches in length and girth combined, now imposed, would work injustice to higher weights; and yet when the question is asked, what shall be the size limit for 50 or 100 pounds, no self-evident answer is vouchsafed. Obviously, there should be some relation of the rate to specially bulky shipments, to cover increased cost in space consumption and handling. The railways meet the problem by highly differential classifications, and especially by placing the "set-up" articles in a higher rate class than the "knocked-

down" article. We could not, however, well copy them, because it would lead to a complexity and confusion of rules more expensive in trouble and time consumption economically for the public than of profit to the Government.

The marine rule is to treat 40 cubic feet as equal to a ton, i. e., 50 pounds to the cubic foot, when the shipment does not weigh more; and in stage-coach days their rate formula treated the cubic foot as weighing 20 pounds, a rule that obtained railway adoption in the beginnings of railway tariffs.

The express companies have a rule of minimum weights, determined by "exterior measurement," i. e., the length, width, and height added together, when, if the shipment does not weigh more, it should be rated as weighing—

	Pounds.
Over 70 inches to 75 inches.....	30
Over 75 inches to 80 inches.....	40
Over 80 inches to 90 inches.....	50
Over 90 inches to 100 inches.....	60
Over 100 inches to 110 inches.....	70

Such a rule works out at about 3 pounds per cubic foot, and has the merit, at least, of protecting the service from exorbitant space demands until, looking forward to administrative experience, a simpler guide could be evolved sufficiently conservative of economic interests.

The 3 pounds per cubic foot formula, or 5 pounds, as I should suggest, could be graduated down to the initial cubic foot, and applied to the size of the shipment, by the simple expedient of a tape, with figures, giving the imputed weight equivalents for the different dimensions, in ordinary sizes, of the various shipments. Meanwhile, the greatest length limit, approximately 70 inches at present, would require modification; and here express practices, e. g., as to hand implements, ought to afford a reasonable guide.

#### PACKING AND SHIPPING REGULATIONS.

Mr. MURDOCK. What has the development of parcel post been on the rural routes of the country?

Mr. LEWIS of Maryland. The data are not yet sufficient to answer that question. Under the old rates it was very disappointing. The hope which the House had that rural products might be moved was disappointed, but the new rate ought to move that traffic.

Mr. MURDOCK. What was the development under the old rate within a given city?

Mr. LEWIS of Maryland. Per capita?

Mr. MURDOCK. As compared with parcels which moved out of one town into another.

Mr. LEWIS of Maryland. The indications were that we were carrying about two parcels per capita for the whole country. The statistics are not in such order that you can differentiate city from farm traffic.

Mr. MURDOCK. Then as the parcel post was applied to the postal system of the country under the old rates, not the new ones, the larger development was in the larger cities?

Mr. LEWIS of Maryland. Oh, yes; because high-priced manufactures, like a suit of clothes or a hat, could very well afford to pay those higher rates, while a lot of potential traffic, like butter and eggs, could not afford to pay rates of 4 or 5 cents a pound.

Gentlemen, I shall not enter into these packing and shipping methods with any particularity. The present parcel regulations for packing look mainly to the mail bag for the test of fitness. I think it well that this should be so where the character of the shipment readily permits, for the reason that the mail bag can be craned, or let off and taken on the car, while the train is in motion; but in other cases the department should adopt the rules and practices which the express companies have found necessary to let the traffic move; and I can not fancy any reason against doing so. These rules may be found in the express classifications, and have the merit of having been tested out as actually adapted to the requirements of the traffic.

#### MISCELLANEOUS.

Just a word of the C. O. D., of insurance, and the shipment of money. I can not take time to do more than suggest that the postal department, as an arm of the Government, with its splendid personnel, is peculiarly qualified to give an efficient, safe, and economical service by the mere extension of its present processes.

#### THE CLASSIFICATION.

The privileges of classification, or right of admission of the parcel to the mail, justifies the same reasoning applied to the weight limit. When the House passed its parcel post bill, which I had the honor to prepare, the classification was made to cover—

1. Fourth-class matter;
2. Farm and factory products;
3. Books; and
4. All matter shipped by express.

The Senate conferees omitted the third and fourth elements so that now books can not go at all as parcels, but must pay a flat rate of 8 cents a pound, no matter how short the journey. It is true that the exclusion of books is the most serious defect in the present classification. Yet there are doubtless many other important omissions. But the trouble does not end with the articles excluded. Some historical fourth-class articles, above 4 ounces in weight, are denied the old flat rate of a cent an ounce, and treated as a pound in weight. The effect is to withdraw a rate which was amply compensatory to the Government, and subject them to higher and discouraging rates. Members, I am sure, have all received complaints because of the disturbance of the old fourth-class rates—a disturbance which would have been avoided had not the Senate conferees stricken down the House provision that the rate should in no case exceed 12 cents a pound of actual weight.

Mr. OLDFIELD. Mr. Chairman, will the gentleman yield? Mr. LEWIS of Maryland. Certainly.

Mr. OLDFIELD. I had an experience this morning which I desire to relate. I wanted to send a book to New York. It was a small book, containing probably 200 pages. I found when I sent it to the post office in the House Office Building that they claimed they could not send the book by parcel post.

Mr. LEWIS of Maryland. How much did it weigh?

Mr. OLDFIELD. The postage upon it was 16 cents. I could not tell how much it weighed.

Mr. LEWIS of Maryland. Did it weigh over 4 pounds?

Mr. OLDFIELD. Oh, no. It was a small book. It was 6 by 9 or 8 by 10 inches and weighed probably 2 pounds.

Mr. LEWIS of Maryland. Now, the gentleman has raised a question which illustrates the utter absurdity of leaving these administrative points to a legislative body. The House did include in its bill a provision that books should be carried by parcel post. The Senate conferees had that provision stricken out. The state of affairs to-day is this, which may not be generally known to the country, but it is a fact, however, that books and all third-class matter above 4 pounds in weight are shippable by parcel post. Books below 4 pounds in weight are not now shippable by parcel post, but I may say I know the Postmaster General has under advisement a proposition to extend the service to include books; so the gentleman's difficulty, I think, will soon be removed. Above 4 pounds all articles of the third class unquestionably have the parcel-post right now. The Postal Department will not deny this.

Mr. BURKE of South Dakota. Will the gentleman yield?

Mr. LEWIS of Maryland. With pleasure.

Mr. BURKE of South Dakota. Will the gentleman state in what respect the Postmaster General has made rates or increased the weights over what the law provided? He stated, I believe, as to the compensation.

Mr. LEWIS of Maryland. The principal change made by the Postmaster General is the change of the weight limit from 11 to 20 pounds within a zone of 150 miles. The rate was 5 cents for the first and 3 cents for succeeding pounds for 50 miles and 6 cents for the first and 4 cents for succeeding pounds for 150 miles. Those two rates have been reduced to 1 cent a pound, with the charge of 5 cents for the first pound, and for local and rural delivery now a half a cent a pound and 5 cents for the first pound charge.

Mr. OLDFIELD. Will the gentleman yield for one other question? In accordance with the gentleman's answer, a man might send a book weighing 5 or 6 pounds by parcel post.

Mr. LEWIS of Maryland. Yes.

Mr. OLDFIELD. You can send that book cheaper than you can a book of 2 pounds under the ordinary rate.

Mr. LEWIS of Maryland. Absolutely so within the 150 miles. The books weighing 6 pounds would cost 10 cents. A 2-pound book costs 16 cents under the third-class privilege. Those are the incongruities that will inevitably develop when legislative attention only is given to a subject of so much detail. I wish to say I am authorized, I think, to say that the change in the rate made by the Postmaster General is not intended to represent at all a completed scheme of thought. When the extension was limited to 20 pounds and 150 miles, under the new rate, it was done merely to try out the postal machine and see what his personnel would be able to accomplish, face to face with any novelties the new situations might create, and be able to conquer them. He wished to try his machine out section by section before adopting the complete function of the parcel post, which he himself has proclaimed to be the 100-pound weight limit.

Mr. NORTON. Will the gentleman state briefly what, if any, is the reason for excluding from the parcel post books weighing less than 4 pounds?

Mr. LEWIS of Maryland. The gentleman will have to ask his Father in Heaven or the Senate conferees for an answer to that question. I can not give it to him.

Gentlemen, I suggest that the remedy to apply is that the Postmaster General change the classification for parcels by restoring the old fourth class with its rates and creating an additional parcel class to be known as "fourth class No. 2," to include parcels of—

- (a) All classes of mail, when desired.
- (b) Farm and factory products.
- (c) Matter shipped by express.

With reference to the first element (a), I wish to say that the inclusion of all classes of mail matter in the parcel privilege would work no reduction of postal revenues, even from the first class, except in a possible few cases where the application of the first-class rate is simply outrageous. It would, however, develop a line of first-class traffic for nondelivery offices that ought to prove highly profitable to the department and advantageous to the public. Let us take the case of a candidate for public office. Perhaps in half of his district the mail is sent to nondelivery offices where a drop-letter 1-cent rate obtains. If he could send his pouch of letters to that point as a parcel with 1-cent stamps on each individual letter, paying only the parcel rate on the pouch, he would use the mails in a half dozen cases where he may not do so in one at the 2-cent rate. These observations apply with even greater vigor to the commercial advertiser. Meanwhile there is no conceivable reason why the second or third classes should be debarred from the parcel service when in parcel form. The exclusion simply means less business and less revenue.

Mr. FAISON. Mr. Chairman, will the gentleman tell us why seeds for planting are not allowed to go under the parcel-post rate?

Mr. LEWIS of Maryland. The gentleman will also have to ask a higher power or the Senate conferees about that.

Mr. FAISON. What is the difference in their nature between seeds for planting and seeds for food?

Mr. LEWIS of Maryland. I have never heard it explained.

Mr. Chairman, it is submitted that every form of parcel mail should enjoy the parcel privilege, on demand, the postal revenues being amply protected by the rates imposed. The legal power to make such provision is clearly given. The statute reads:

Fourth-class matter shall embrace all other matter, including farm and factory products, not now embraced by law in either the first, second, or third classes, etc.

But—

If the Postmaster General shall find, on experience, that the classification of articles mailable \* \* \* or other condition of mailability are such as to prevent the shipment of articles desirable \* \* \* he is hereby authorized, subject to the consent of the Interstate Commerce Commission, to reform from time to time such classification \* \* \* or condition (of mailability) in order to promote the service to the public, \* \* \* etc.

Since "all other matter" not included in the first, second, or third class is now embraced within the parcel classifications, it is clear the present classification can operate "to prevent the shipment" of only such "articles" as are now included or confined within the first, second, and third classes, as to which the Postmaster General may "reform" the "classification" or "condition of mailability," "in order to promote the (parcel) service to the public."

Gentlemen, the change suggested, the restoration of the old fourth class and its rates, and the creation of a supplementary or second fourth class to which all mail parcels and express matter should, with proper exceptions, be admitted, would, I submit, end all the troubles of the post office with the people as to mailing privileges.

#### COLLECT AND DELIVERY.

The collect and delivery service of our postal agency extends to-day throughout more than a million miles of rural routes, serving twenty millions of our farming population, as to which no other organized transportation exists, or is at all likely to exist. The service will cost the coming year some \$40,000,000 and will continue to extend. The cheap autotruck seems ready to replace the horse and wagon, and what with this and the three or twice a week service on less fertile routes, practically every farm and country store will eventually be reached. Substantially every element of expense involved in extending the entire postal express function to nonrailway points is now being paid in the maintenance of the rural service. It is only when the carrier may have to enlarge his conveyance or shorten his trip by reason of the increased traffic and only to such extent that additional cost might be incurred, but before such line has been reached it is likely that the whole service will be rendered self-sustaining by the profits of the added traffic. These routes are now yielding less than a fifth of the

cost of service. With rates and weight limits permitting the movement of the natural traffic from farm to town and town and country store to farm it is highly probable that the service would be self-sustaining. Meanwhile the augmented traffic must at least reduce the deficit in proportion to its own increase.

Besides the rural collection and delivery there is the well-known carrier service in the towns and cities. This is now supplemented by the parcel-post wagons, which are restricted now to the delivery of the 11-pound parcel, but which could handle it up to 100 pounds as well. Here no new organization would be required, but simply such added conveyances as traffic developments would justify. Congress has authorized experiments in mail delivery in towns of 1,000 population; and, in fact, it may be stated that the postal agency is now organized nearly completely for the most extensive collect-and-delivery service. The express companies give this service to towns of about 5,000 population and up, while the railways do not give it at all, except in a few eastern cities. What is obviously required is a service as extensive as the postal system, and for this, especially in the matter of rural delivery, we can look only to the postal organization.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. LEWIS of Maryland. Certainly.

Mr. KELLY of Pennsylvania. Regarding the method of procedure in purchasing and sending packages by parcel post, is not it an awkward system, and should not there be a better one of getting the purchaser and shipper in communication?

Mr. LEWIS of Maryland. If the gentleman refers to the failure of the Post Office Department to adequately collect the parcels, I agree with him; but when it comes to it it will do the collecting service, as it does the other, in the most efficient way in the world. [Applause.]

Gentlemen, coming to the matter of the costs of collection and delivery, I have collected together the obtainable experience throwing light upon the subject; and for the purpose of clarity I now insert a table giving progressively the cost lines indicated by these experiences for shipments from one-fifth of an ounce up to a ton in weight:

Collection and delivery costs. [Collated from various experiences.]		Cents.
Per letter.....	-----	1.2
4-pound parcel (postal cost).....	-----	2.1
4-pound parcel, Chicago delivery.....	-----	2.7
Up to 11 pounds, Merchants' Transfer & Storage Co.....	-----	5.0
Average New York merchants' delivery, all weights, no limit.....	-----	5.0
Massachusetts Institute of Technology, parcel delivery, no weight limit, all weights.....	-----	5.0
33 pounds average express company shipments.....	-----	7.0
67 pounds, Connecticut Express Co.....	-----	11.6
Average Baltimore & Ohio Ry. delivery: 100 pounds.....	-----	10.0
500 pounds.....	-----	50.0
Furniture delivery, all weights, Massachusetts Institute of Technology.....	-----	35.0
Ten of coal, Massachusetts Institute of Technology.....	-----	71.0

#### RATES OF POSTAL RAILWAY COMPENSATION.

Mr. Chairman, having discussed the costs of postal handling of parcels, I come now to the next element of expense involved in the postal shipment—that is, railway compensation for its part of the service. I shall not go into the merits of the rate of postal pay to railways at this time beyond a brief description of existing conditions.

Mr. HELGESEN. I presume that the attention of all of us has been called by the railroad people to the statement that they are not treated fairly under this parcel post—that they are carrying the parcel post under the weighing of four or five years ago, which is only 5 per cent. When you speak of the actual cost to the Government, what is your basis for railway carrying charges?

Mr. LEWIS of Maryland. The basis is the regular rate of railway pay paid the railways in 1912, before parcel post began. It is true they are not being actually paid for much of this new traffic, but I have no doubt, pending a final determination of the rate of railway pay for postal-express matter, the Postmaster General will find a way to right this delinquency.

Mr. STEENERSON. The gentleman has stated that under the law railroad companies are only receiving 5 per cent additional for the increased traffic involved in the parcel post, and he has further stated that the increase in pounds of the postal business by reason of the parcel post is very much more than that 5 per cent; and, as I understood him, the railroads would be entitled to more pay. And he further stated—

Mr. LEWIS of Maryland. I hope the gentleman will be considerate. I have just a moment left.

Mr. STEENERSON. I know, but we will get an extension of the gentleman's time. This is very important. The gentleman further stated that he thought the extra revenue from the

parcel post would be about \$7,000,000 to \$10,000,000. Now, the railroad companies claim they have lost about \$30,000,000 by reason of losing the traffic from the express companies. If you compensate the railroad companies for what they say they have lost beyond the 5 per cent, how much will you have left of the \$7,000,000 extra received from the sale of parcel-postage stamps?

Mr. LEWIS of Maryland. I can not go fully into that subject. The claim of the railroad companies may be correct, and yet the inference the gentleman draws is entirely incorrect. While the post pays the railways 8 cents a ton-mile and the express companies average but 7 cents a ton-mile, the post pays it as a broad average, without distinction as to the particular weight of the parcel. It is different with the express companies. They do not pay according to weight, but pay one-half the rate, which works out as follows:

Table showing rates of compensation per ton-mile paid the railways by the express companies on the contractual average bases of 47.5 per cent of the express "merchandise" rates, according to weight of package and distance carried.

Miles.	5 pounds.	10 pounds.	20 pounds.	30 pounds.	40 pounds.	50 pounds.	60 pounds.	70 pounds.	80 pounds.	90 pounds.	100 pounds.
36.....	\$1.42	\$0.86	\$0.42	\$0.36	\$0.29	\$0.25	\$0.23	\$0.20	\$0.18	\$0.16	\$0.14
62.....	1.09	.59	.31	.25	.21	.18	.16	.14	.12	.11	.09
100.....	.68	.40	.22	.18	.15	.14	.13	.12	.11	.09	.08
144.....	.54	.32	.18	.14	.12	.11	.10	.09	.08	.07	.06
196.....	.41	.25	.15	.12	.10	.09	.08	.07	.06	.05	.04
255.....	.35	.21	.13	.10	.08	.07	.07	.07	.06	.05	.04
320.....	.30	.19	.12	.09	.07	.06	.06	.06	.06	.05	.04
402.....	.26	.16	.10	.08	.07	.05	.05	.05	.05	.05	.04
484.....	.24	.16	.10	.08	.07	.06	.05	.05	.05	.05	.04
576.....	.21	.14	.09	.07	.06	.05	.05	.05	.05	.05	.04
677.....	.19	.13	.09	.07	.06	.05	.05	.05	.05	.05	.04
787.....	.16	.11	.08	.06	.05	.05	.05	.05	.04	.04	.04
905.....	.15	.10	.07	.06	.05	.04	.04	.04	.04	.04	.04
1,030.....	.12	.09	.06	.05	.05	.04	.04	.04	.04	.04	.04
1,151.....	.12	.09	.06	.05	.05	.04	.04	.04	.04	.04	.04
1,287.....	.11	.09	.06	.05	.05	.04	.04	.05	.05	.05	.05
1,450.....	.10	.08	.06	.05	.05	.05	.05	.04	.04	.04	.04
1,597.....	.10	.07	.06	.05	.05	.04	.04	.04	.04	.04	.04
2,500.....	.06	.05	.05	.05	.04	.04	.04	.04	.04	.04	.04
3,130.....	.05	.05	.04	.04	.04	.04	.04	.04	.04	.04	.04
3,652.....	.04	.04	.04	.04	.04	.04	.04	.04	.04	.04	.04

Down to the line drawn diagonally across the table the express railway pay on merchandise packages exceeds the amount which the Government would have to pay under present postal railway compensation laws. Below the line, a parcels traffic being added, the Government would have to pay 8 cents a ton-mile, and the express companies' as much less as the figures in the table indicate.

From this it can be seen that although we should be paying a normal rate, yet in confining our traffic to 11 pounds we are taking from the express companies what pays the railways rates as high as a dollar a ton-mile and leaving the low-priced traffic. Thus a 5-pound package by post from Washington to Baltimore would pay the railway just 8 mills, while by express the railway would get 12 cents out of the 25-cent charge. The obvious permanent remedy for the railway is to dispense with the express company, when all express matter would go by post, and the railway receive an equal rate of 8 cents a ton-mile from all the postal express traffic, instead of the 3 and 4 cents it is getting now on the larger weights and longer distances from the express companies. If the railways would cooperate with the Postmaster General for the attainment of this object they would be promoting alike their own and the public interests. I know of no other remedy for their situation, for even when the mails are reweighed they must still lose heavily if the post is to do only the small-package and short-journey and the express company the heavy-package and long-journey business. They would be, as now, getting only the thin end of the stick from the divided business.

Nobody seems to be satisfied with the present amount or method of railway payment, and this is necessarily true; perhaps not so much because the railways are overpaid or underpaid in the aggregate as, unfortunately, because there exists no formula or standard for determining just what is the right rate of compensation. It is not a difficulty peculiar to postal railway rates, but results from the circumstance common to all railway rates, namely, that the expenses of a particular railway service can not be allocated to such service with enough precision to determine its real cost. Under these circumstances a conflict of opinion is unavoidable and only general comparisons can be employed.

#### EXPRESS-POST RAILWAY PAY.

Gentlemen, in the 10 countries reporting express statistics the ratio of the express to the freight charge has been shown to be about 5 (5.23) to 1; and in those countries the railway performs

the whole and not merely the locomotive part of the service. In the United States the railways receive as a whole for the locomotive act alone nearly eight (7.80) times their charge for the average freight shipment; or, stated in the concrete, the railway receives \$1.90 and \$14.82 for the average ton of freight and express matter, respectively. In the other 10 countries the like average charges are, by freight, per ton, \$0.87, and by total express rate, \$4.37. In the absence of a satisfactory cost standard, these comparisons indicate that our railways receive nearly twice what they should for their part of the express service. But domestic conditions may differ enough to measurably impair this reasoning. However, the census of 1890 shows the express traffic to have been 1,646,273 tons, while that of 1909 was 4,248,355 tons, with railway pay of \$19,327,280 and \$64,032,126, respectively, representing an increase in the rate of express railway pay of 26 per cent. During the same period the average freight charge declined about 5 per cent per ton-journey, and the passenger rate per mile declined 6 per cent. Meanwhile the freight traffic increased in volume 32 per cent more than the express traffic and the passenger mileage quite as much, clearly indicating the inhibitory effect of increased rates upon the potential traffic, an effect as unfavorable to gross railway revenues as to express commerce.

On the assumption of a 200-mile haul, the freight haul being over 250 miles, the railways received for hauling express matter in 1890 about 6 (5.87) cents per ton-mile, and 7 cents for the same service in 1909. The Interstate Commerce Commission has ordered reductions in express rates which the express companies say equal 25.6 per cent, but which the commission estimates at 17.5 per cent. Taking the commission's estimate as correct, the effect on the amount paid by the express companies (47.53 per cent of express revenues), the railway ton-mile rate of pay would be reduced from 7 cents to 5.77, or about the rate paid them in 1890. The diversion of the very small shipment to the parcel post would likely further reduce this ton-mile rate to 5 cents.

The joint effect of these comparisons would suggest that, waiting the time when cost determination can be applied to postal railway pay, a rate of 5 cents a ton-mile, excluding the weight of equipment, would not be unjust to the railways as an aggregate payment; while such a rate in connection with postal-service economics would permit the making of postal express rates with concessions to the mobility of the potential traffic that would save three-fourths of it, now penalized out of transportation commerce by prohibitive express tariffs. It may be confidently asserted that the railway would not suffer by such a change in its rate of pay, for it would convert from five to fifteen millions of tons of relatively lower-priced freight traffic into the postal, the highest-paying railway freight, with little added cost of plant or locomotion.

Gentlemen, the ton-mile standard is the ideal one for Government purposes. Its parcel-express rates are all predicated on weight and distance; and if it is to know how much to load such rates to pay the railways for their service, such service must be measured in terms of weight and distance. If this standard should be replaced by a car-space standard alone, it would require years to learn the conversion values or convertible ratios of parcel weights with parcel-space consumption. Meanwhile, the loading for railway pay, without definite standards, must either be too high or too low, with attendant effects disastrous to either the potential traffic or the Treasury; but this weight-distance standard, so ideal for the Government, is quite as unideal for the railways. If paid only by the weight and distance carried, the railway company having a line of full-car traffic would receive two or three times the compensation for moving its car a mile as would the small railway company moving a car one-half or one-third full. And yet it is obvious that the expensiveness of the services to both railways would be substantially the same. What a railway company does in the mail, express, or passenger service is to move the car; and whether it is empty or partly empty or loaded slightly affects the expense of movement. We have thus two contradictory interests here in the matter of standards or units of service. What is absolutely necessary to the Government in its rate making, the weight-distance unit of pay, would mulct the small railways with half or one-third pay; while the car-mile standard, the only measure of costliness of railway service, would be quite impracticable for postal-express or parcel purposes.

Now, with all modesty on a subject so inherently difficult, I make this suggestion as a solution. Let us apply both standards—the ton-mile unit to make certain the amount the Government shall pay the railways, and so intelligently load its rates for parcel service to the public, and the car-foot mile unit, to effect a just relative distribution of the fund thus derived

among the railways according to the amount of car-foot mileage service rendered by each. The details of this proposal, briefly, are these:

(a) The postal department would make notations of the weight and zone findings for each parcel, which occur in determining the rates to be charged the shipper. The gross weights of such parcels, in each zone, when multiplied by the average mile journey of the respective zones would, by a simple computation, give the total ton mileage of parcel matter receiving railway transportation. Let this ton mileage be multiplied by the rate to be paid per ton-mile, say, 5 cents, and the gross sum due the railways as a whole is obtained.

(b) The total sum thus payable to the railways would then be divided by the total number of car-foot miles of car movement performed by the railways as a whole, which would give the common car-foot rate payable, when each railway company would be paid this rate for the car-foot mileage service performed by it, under orders from the Post Office Department. Now, the postal car mileage is a matter of easy ascertainment and record for any railway—while the weight-distance parcels statistics, in the larger offices at least, can be automatically recorded in the act of weighing, and elsewhere by pencil notation, as now, upon blanks having columns for the several zones. These latter data are necessary in postal administration for other important purposes, and can be obtained with practically no expense. I am informed that the present Auditor for the Postal Department, Mr. Kram, has perfected an invention by which these notations may be carded by the local postmaster, and thus totaled by machine.

#### LETTER RAILWAY PAY.

It is obvious that more than one rate of pay will be necessary to fit the widely different services rendered by the railways in the carriage of letter as distinguished from express matter. No single rate could be just to both lines of traffic. Stated in terms of ton-miles, the letter mail would tend to consume much greater car space than that consumed for the like weight of express matter. Anyone who suggests but one rate of railway pay for these differing services must have neglected to give sufficient time to the problem to understand its conditions.

Now, it is suggested that for the carriage of the ordinary mails—that is, other than express matter—the same methods above proposed might be employed, with a change in the amount of the rates, and in two or three of the incidents to meet the circumstance that the weight-distance journey of each letter and paper could not be economically ascertained, and that the rate of railway pay ought to be higher per pound for such matter. The total weight of the railway-moving mails, including equipment, was ascertained to be 887,278 tons for 1908. Postal receipts increased 28.34 per cent in 1912 over 1908. This would indicate the total weight of mail and equipment for 1912 to be 1,138,692 tons, which, divided into the gross railway pay for 1912, gives a rate of \$43.65 per ton, or on the experience of the average mail journey in 1908 (620 miles), 8 (8.12) cents a ton-mile. Assuming that this rate be continued—I do not here discuss its justice—all nonparcel or express mail during the weighing period would be pouched in bags by itself and weighed at the post office before going to the railway. These weights totaled into tons for the country would give the gross amount of service rendered, and multiplied by the ton-rate agreed to be paid the railways, say, \$43.65 per ton, as now, would give the total fund payable to the railways for this branch of the service, which should be, then, distributed among the railways according to the car-foot-mile basis employed for the payment of express transportation.

We should thus have a rate of 5 cents a ton-mile for postal express matter, excluding the weight of equipment, and of 8 cents a ton-mile for the other mails, equipment weight included. These bases of compensation and methods of distribution having been legislatively established, I should provide that either the Postmaster General or the railways should have access to the Interstate Commerce Commission to make any changes necessary to move the potential traffic, or to meet future contingencies in railway operating costs. In consideration of the lowered rate proposed for express-post railway pay, the burden of delivering the mails from the depot to the post office should be shifted from the railway to the local postmaster. This general plan would have signal advantages for all the interests concerned. For the Government it would save the great expense of the railway weighings and provide it with simple standards for determining its obligations to the railways. For the shipping public, through reduced postal express rates, it would provide a means by which the potential traffic in life's necessities could be moved direct from producer to consumer, and lower our aggravated price levels. And for the railways it offers the great ad-

vantages of distributing postal transportation compensation equitably between them, of paying them for the actual weights carried rather than the outdated weighings, while assuredly doubling and probably quadrupling the volume of their highest-priced traffic.

Gentlemen, this problem must be settled, and should be considered with a view to the interests of all concerned. I submit the plan just outlined as an earnest proposal to reconcile all the interests involved.

#### PRESENT PARCEL RAILWAY COMPENSATION.

The preceding discussion has been a diversion into a question of prospective legislation. But parcel-post development need not and surely should not await its uncertain contingencies. Gentlemen, the present cost of postal transportation by rail, stated in terms of weight and distance, or ton-mile units, is sufficiently known and definite to enable the postal authorities to ascertain the necessary loading of parcel rates for transportation pay.

Mr. HAUGEN. Mr. Chairman, I would like to ask the gentleman how he ascertains the cost of carrying the mails by the railways.

Mr. LEWIS of Maryland. That is ascertained, I will say, by the weighings of the mails. The mails are weighed every fourth year. Not only is the weight of the mail taken, but the distance it traverses. The mail traffic is therefore convertible into ton-miles, and the ton-miles being divided into the total amount of money paid the railroads, gives you the ton-mile rate which I have quoted.

Mr. HAUGEN. Yes, exactly; the average cost per pound being 4 cents a pound. I was curious to know who had made this calculation and who had ascertained the annual cost of carrying the mail matter.

Mr. LEWIS of Maryland. The figure the gentleman quotes of 4.06 cents per pound covers the average journey of 620 miles, and excludes the weight of equipment. If the equipment be included, the figure is 2.49 cents per pound.

Mr. HAUGEN. Well, I would like to have the gentleman answer the question as to who ascertained the facts.

Mr. LEWIS of Maryland. The postal authorities ascertained the facts in the following manner: The ton-mileage was officially determined in 1908 (486,130,773 ton-miles), and adding to it the increase of 28.34 per cent indicated by the postal revenues for 1912, and dividing the increased ton-mileage (622,783,951) into the total railway pay for the latter year (\$50,703,323), we should have 8 (8.12) cents a ton-mile as the necessary loading for transportation. However, under the present law the pay declines as follows:

Table showing compensation for carrying mails, excluding car-space compensation.

	Annual compensation per mile of line.	Equaling a rate per ton-mile of—
For daily weight of (pounds)—		
211.....	\$42.75	\$1.13
499.....	63.27	.70
999.....	84.64	.475
1,999.....	127.39	.36
3,000.....	141.93	.26
4,000.....	156.46	.217
4,999.....	170.14	.189
6,000.....	180.74	.167
7,040.....	191.30	.15
8,000.....	201.05	.14
9,000.....	210.80	.13
10,000.....	221.35	.123
11,000.....	231.10	.117
20,000.....	322.45	.09
30,000.....	423.95	.078
40,000.....	525.45	.073
48,000.....	606.67	.07
60,000.....	722.11	.067
100,000.....	1,106.91	.06
200,000.....	2,068.91	.057
300,000.....	3,030.91	.056
400,000.....	3,992.91	.055
500,000.....	4,958.91	.054

In reducing these rates of compensation to a ton-mile basis I have adopted 360 days as constituting the average number of days for all railway routes upon which the mails were hauled, as on some of the lines of small traffic no Sunday service obtains. In practice this scale, with car-space pay added, works out a ton-mile rate of 7 (6.97) cents on routes of 25 tons traffic per day, and of 6½ (6.42) cents on routes of 236 tons daily traffic, as in the instances of the Charlotte to Atlanta and New York to Philadelphia routes. The average for all

routes in 1912 was 8.12 cents per ton-mile. I believe it is beyond doubt that a great increase in weight of the mails, as the addition of express matter, would reduce gross railway pay to an average of less than 7 cents a ton-mile for mail and equipment weights—so that parcel rates loaded for railway pay at the rate of 8 cents a ton-mile, or its equivalent, a cent per pound for each 250 miles of journey, would provide a margin sufficient to cover the weight of the parcel equipment and an element of profit besides. The equipment constitutes about 20 per cent of the ordinary letter and paper mail, railway weights. It is judged that it would not be more than 7 per cent of the express mail, leaving at the loading proposed about 7 per cent of the railway pay loading as a margin of profit.

The postal regulations make ample provision for such train and terminal service as may be needed.

Mr. MURDOCK. Mr. Chairman, I would like to ask the gentleman this: Does his table, which he is to print in the Record, giving the cost accounts of the parcel system, include the increase in the amount of space it will take to take care of the parcel post? I ask that for this reason: Recently I was in the post offices at New York and Boston. I saw that the parcel post had called for one thing that I do not think the House foresaw when the bill was under consideration, and that is an immense amount of room for the handling of parcels. Parcels can be handled with facility only by keeping them separate. That is, you can not pile a great lot of them together and handle them with facility; you must keep them separate, so that all addresses are visible. Does the gentleman take that into account in his table, because it seems to be of major importance?

Mr. LEWIS of Maryland. The cost elements to be stated include the railway post-office pay, as well as the ton-mile pay, and to the extent that space pay is involved in railway post offices, which is about 10 per cent of the total pay, that factor is included.

Mr. MURDOCK. Does the gentleman take into consideration the space at the terminals, which seems to be an important matter?

Mr. LEWIS of Maryland. Yes. It takes into consideration all of the elements of postal expense. It is not based upon a suggestion of the mere additional expense, but upon the facts as to the entire economic expense involved in the service.

Mr. Chairman, the postal regulations make ample provision for such train and terminal service as may be needed. Section 1186 of the regulations reads:

The specific requirements of the service as to due frequency and speed, space required on trains or at stations, fixtures, furniture, etc., will at all times be determined by the Post Office Department, etc.

The postal laws compensate the railways for the "transportation" of the mails. The act to regulate commerce defines the word "transportation" to include—

all instrumentalities and facilities of shipment or carriage, irrespective of ownership or of any contract, express or implied, for the use thereof, and all services in connection with the receipt, delivery, and handling of property transported.

With the passing suggestion that this clause invalidates the exclusiveness of all contractual express rights to railway facilities, whether on the train or in the railway terminals, I stop to say that postal and railway practice has given to the word "transportation" the same meaning as given it by the interstate-commerce act.

#### THE PROPOSED RATE.

Gentlemen, starting with the fact that there are two elements of expense, the transportation pay and the postal handling, to be covered by the loadings for the parcel rate, we have adduced the amounts of these elements and found them to be (a) for transportation by rail, 8 cents a ton-mile; (b) for postal handling, collect and delivery, and so forth, less than 2 cents for the first pound, running to 15 cents for 100 pounds.

Of course the loadings for postal handling must be treated as the same for all distances, since the slight variances in actual costs are negligible and incapable of computation. But the loading for railway transportation, 1 cent per pound per 250 miles, is a mathematically constant factor, progressing arithmetically with the distance of the parcel journey.

And now, having gathered our facts together and analyzed them, let us organize them into rates for the respective weights to be carried and distances to be covered. In a preceding table the experiences in costs of collection and delivery were given. To these expense elements I now add the cost of railway pay, giving the total costs of the service for the weights, stated within a zone of 100 miles. There is added a column showing the proposed rates and another giving the margin of profit contained in the proposed rates above the total cost of the service.

Table showing costs (in cents) of service and proposed rates for the first zone of 100 miles.

Weight.	Cost of handling (experience).	Railway pay (1 cent per pound for 250 miles).	Total cost of service.	Proposed rate.	Margin of profit.
1.....	<sup>1</sup> 0.017	0.002	0.019	0.03	0.011
4.....	<sup>1</sup> .030	.01	.040	.05	.010
10.....	<sup>1</sup> .050	.02	.070	.08	.020
20.....	<sup>2</sup> (.06)	.04	.11	.13	.02
30.....	<sup>2</sup> .07	.06	.13	.18	.05
40.....	<sup>2</sup> (.08)	.08	.16	.23	.07
50.....	<sup>2</sup> .10	.10	.20	.28	.08
60.....	<sup>2</sup> (.11)	.12	.23	.33	.10
70.....	<sup>2</sup> .12	.14	.26	.38	.12
80.....	<sup>2</sup> (.13)	.16	.29	.43	.14
90.....	<sup>2</sup> (.14)	.18	.32	.48	.16
100.....	<sup>2</sup> (.15)	.20	.35	.53	.18

<sup>1</sup> Economic postal costs.

<sup>2</sup> Figures in parentheses are estimates of economic cost.

<sup>3</sup> Out of pocket expense costs of private companies.

To get the rate for longer distances add one-half cent per pound for each additional zone of 100 miles, and to ascertain the cost of such added service add 4 mills per pound for each 100 miles to cover railway transportation (the only extra service), which equals 1 cent per pound for each 250 miles of journey.

It will be observed that the additional rate for each successive 100-mile zone, one-half cent per pound, is 20 per cent greater than the added cost, four-tenths of a cent, for transportation. But since postal distances are direct lines and mail-rail distances are computed on the usual roundabout routes of the railways, 10 per cent of the excess rate will likely be consumed in covering the distance lost through the indirection in rail routes. This would leave some 10 per cent margin of profit for each additional 100-mile zone besides the margin of profit contained in the first zone. In practice the average journey of the shipment will fall halfway between the termini of the zone to which consigned. Thus in the first zone of 100 miles the average journey will be 50 miles; in the second zone of 200 miles the journey will average 150 miles, and so on for each additional zone. In like manner the actual weights will fall below those charged by a half pound in each shipment except the first. Two pounds will average but 1½ pounds, 3 pounds but 2½ pounds, and so on for each weight with the pound unit, giving another small but constant margin of profit out of the loading for railway pay.

We have in these cost elements, then, the bases for a formula giving the rates for all weights and distances. Succinctly stated, it is:

(a) Three cents for the first pound and a half cent for each additional pound in the first zone.

(b) Plus one-half cent per pound for each subsequent zone of 100 miles.

This formula contains indicated margins of profit in each rate of 25 per cent and upward.

Gentlemen, this rate and zone system commends itself not alone because of its comparative simplicity, although it is the simplest in the world, but rather because, taking full cognizance of the cost of service, it fully covers all its elements and leaves a substantial profit margin besides. But its recommendation does not stop with these virtues. It gives actual relief to all shippers from the abnormal express charges now prevalent and, from almost equally abnormal law-made parcel-post rates. And here I shall introduce a table giving the rates proposed in comparison with the rates of the express companies and the present parcel-post rates for distances of 100 to 1,000 miles, embracing an area within which 85 per cent of the parcel traffic now takes place.

Comparison of rates proposed with present parcel rates and rates by express.

Pounds.	First zone, 100 miles.	Second zone, 200 miles.	Third zone, 300 miles.	Fourth zone, 400 miles.	Fifth zone, 500 miles.	Sixth zone, 600 miles.	Seventh zone, 700 miles.	Eighth zone, 800 miles.	Ninth zone, 900 miles.	Tenth zone, 1,000 miles.
1 pound:	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.
Proposed.....	3	4	4	5	5	6	6	7	7	8
Present.....	5	7	7	8	8	9	9	9	9	9
Express.....	16	16	16	16	16	16	16	16	16	16
2 pounds:	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.
Proposed.....	4	5	6	7	8	9	10	11	12	13
Present.....	6	12	12	14	14	16	16	16	16	16
Express.....	25	30	39	30	30	35	35	35	35	35

If prepaid.

Comparison of rates proposed with present parcel rates, etc.—Continued.

Pounds.	First zone, 100 miles.	Second zone, 200 miles.	Third zone, 300 miles.	Fourth zone, 400 miles.	Fifth zone, 500 miles.	Sixth zone, 600 miles.	Seventh zone, 700 miles.	Eighth zone, 800 miles.	Ninth zone, 900 miles.	Tenth zone, 1,000 miles.
3 pounds:										
Proposed.....	Cts. 4	Cts. 6	Cts. 7	Cts. 9	Cts. 10	Cts. 12	Cts. 13	Cts. 15	Cts. 16	Cts. 18
Present.....	7	17	17	20	20	20	23	23	23	23
Express.....	30	35	35	35	40	45	45	45	45	45
4 pounds:										
Proposed.....	5	7	9	11	13	15	17	19	21	23
Present.....	8	22	22	26	26	26	30	30	30	30
Express.....	30	35	40	40	45	50	55	55	55	60
5 pounds:										
Proposed.....	5	8	10	13	15	18	20	23	25	28
Present.....	9	27	27	32	32	32	37	37	37	37
Express.....	35	40	45	45	50	55	60	60	60	70
6 pounds:										
Proposed.....	6	9	12	15	18	21	24	27	30	33
Present.....	10	32	32	38	38	38	44	44	44	44
Express.....	35	45	50	50	55	60	70	70	70	80
7 pounds:										
Proposed.....	6	10	13	17	20	24	27	31	34	38
Present.....	11	37	37	44	44	44	51	51	51	51
Express.....	35	45	50	55	55	60	70	70	70	80
8 pounds:										
Proposed.....	7	11	15	19	23	27	31	35	39	43
Present.....	12	42	42	50	50	50	58	58	58	58
Express.....	40	50	55	55	60	70	75	75	75	90
9 pounds:										
Proposed.....	7	12	16	21	25	30	34	39	43	48
Present.....	13	47	47	56	56	56	65	65	65	65
Express.....	40	50	55	60	60	70	75	75	75	90
10 pounds:										
Proposed.....	8	13	18	23	28	33	38	43	48	53
Present.....	14	52	52	62	62	62	72	72	72	72
Express.....	40	50	55	60	60	70	75	75	75	90
11 pounds:										
Proposed.....	8	14	19	25	30	36	41	47	52	58
Present.....	15	57	57	68	68	68	79	79	79	79
Express.....	40	55	60	65	65	75	85	85	85	100

Gentlemen, before continuing further with the above table, it may be well to notice its comparative significance. In the third, fourth, and fifth zones, embracing altogether 500 miles of distance, the present parcel-post rates are about two and one-half, and the express rates three and one-third, times as high as the rates proposed, as deduced from a cost study of the subject. It is not difficult to understand how rates three times as high as the cost of service have failed to permit the movement from producer to consumer of the necessities of life, saying nothing of the restrictive influence of the weight limit of the parcel post. The first zones, equaling 500 miles, have been selected to illustrate the preventive and destructive effect of these rates, because it is within such an area that the potential traffic mainly lies.

And now, resuming the rate comparison, let us see the relation of the proposed rates to the averaged express rates of the country for weights from 20 up to 100 pounds.

Comparative table of average express rates and proposed parcel-post rates.

Pounds.	First zone, 100 miles.	Second zone, 200 miles.	Third zone, 300 miles.	Fourth zone, 400 miles.	Fifth zone, 500 miles.	Sixth zone, 600 miles.	Seventh zone, 700 miles.	Eighth zone, 800 miles.	Ninth zone, 900 miles.	Tenth zone, 1,000 miles.
20 pounds:										
Postal.....	\$0.13	\$0.23	\$0.33	\$0.43	\$0.53	\$0.63	\$0.73	\$0.83	\$0.93	\$1.03
Express.....	.46	.60	.79	.83	1.01	1.09	1.24	1.26	1.30	1.40
30 pounds:										
Postal.....	.18	.33	.48	.63	.78	.93	1.08	1.23	1.38	1.53
Express.....	.56	.73	.91	1.06	1.23	1.33	1.54	1.52	1.61	1.78
40 pounds:										
Postal.....	.23	.43	.63	.83	1.03	1.23	1.43	1.63	1.83	2.03
Express.....	.64	.82	.99	1.12	1.35	1.54	1.83	1.80	1.90	2.25
50 pounds:										
Postal.....	.28	.53	.78	1.03	1.28	1.53	1.78	2.03	2.28	2.53
Express.....	.74	.95	1.05	1.15	1.40	1.59	1.86	1.79	1.99	2.35
60 pounds:										
Postal.....	.33	.63	.93	1.23	1.53	1.83	2.13	2.43	2.73	3.03
Express.....	.82	1.08	1.23	1.33	1.68	1.90	2.24	2.24	2.36	2.79
70 pounds:										
Postal.....	.38	.73	1.08	1.43	1.78	2.13	2.48	2.83	3.18	3.53
Express.....	.89	1.22	1.43	1.61	1.96	2.22	2.61	2.61	2.75	3.26
80 pounds:										
Postal.....	.43	.83	1.23	1.63	2.03	2.43	2.83	3.23	3.63	4.03
Express.....	.89	1.28	1.58	1.82	2.24	2.53	2.98	2.98	3.14	3.72
90 pounds:										
Postal.....	.48	.93	1.38	1.83	2.28	2.73	3.18	3.63	4.08	4.53
Express.....	.89	1.30	1.80	1.91	2.52	2.85	3.35	3.35	3.54	4.19
100 pounds:										
Postal.....	.53	1.03	1.53	2.03	2.53	3.03	3.53	4.03	4.53	5.03
Express.....	.89	1.30	1.77	2.18	2.78	3.12	3.70	3.73	3.93	4.63

For a clearer elucidation of the above comparisons between the express rates, the present parcel post, and the rates pro-

posed, I now insert chart B, the upper line representing the express, the middle representing the present parcel post, and the lower line the rate indicated by the costs of service, embracing the expenses of railway pay, postal handling, and collection and delivery. Since the chart was prepared the rates up to 150 miles have been reduced from 4 and 3 cents to 1 cent a pound. (See p. 4170.)

It may be instructive to see how the rates feasible here compare with foreign parcel rates on the different weights. The comparison can only be made between the first zones of each of the countries, because of their varying sizes. This is, in the main, a fair method of comparison, for other postal rates are as low here as abroad, while postal costs are generally lower here per mail piece handled.

Table comparing first-zone rates of various countries with first-zone costs and rates proposed for United States.

Country.	Weight (pounds).												
	1	2	5	11	22	33	44	55	66	77	88	99	110
Indicated costs.....	Cts. 1.9	Cts. 2.2	Cts. 4	Cts. 7	Cts. 12	Cts. 15	Cts. 18	Cts. 22	Cts. 25	Cts. 29	Cts. 32	Cts. 35	Cts. 40
Proposed rate in United States.....	3	4	5	8	14	19	25	30	36	41	47	52	58
Austria.....	(1)	(2)	5	8	14	19	25	30	36	42	48	54	60
Belgium (ordinary).....	(1)	(5)	10	12	14	16	18	20	22	24	26	28	30
Belgium (special).....	(1)	15	19	23	29	35	41	47	53	59	65	71	77
Germany.....	(1)	(2)	6	12	18	24	30	36	42	48	54	60	66
Hungary.....	(1)	(5)	6	12	18	24	30	36	42	48	54	60	66
Luxemburg.....	(3)	3	5	10	15	20	25	30	35	40	45	50	55
Switzerland.....	3	(2)	5	8	14	19	25	30	36	41	47	53	59
Foreign average.....	3	4	5	8	13.5	17	23.7	30	37	41.6	43	49	53
United States proposed rate.....	3	4	5	8	14	19	25	30	36	41	47	52	58

<sup>1</sup> These countries do not graduate the parcel rates below 11 pounds, but charge the 11-pound rate for lower weights.

<sup>2</sup> The first zone in Austria, Germany, and Hungary covers a distance of 46 miles.

<sup>3</sup> The Belgian and Luxemburg rates cover any distance; and so the Swiss up to 44 pounds; beyond 44 pounds the rates given are for 62 miles, a half a cent a pound being added for each additional 62 miles.

<sup>4</sup> The Luxemburg rates are subject to an additional charge for delivery of about 2 cents for weights up to 50 pounds and of 4 cents up to 110 pounds.

Mr. Chairman, attention is invited to the comparisons of average European rates for the different weights with the indicated costs of service for the same in the United States, and then with the rates proposed. At no point does the cost of service exceed 75 per cent of the proposed rate, while on 100 pounds the cost of service is indicated as but 65 per cent of the rate. While the proposed rate is the mere result of a formula seeking to obtain a general rule expressing the closest approximation to the costs of service, it is interesting to observe that its application to the first zone results in the same coincidence with European parcel rates that our letter rates show. Comparisons can not be made for subsequent zones, because of their variety and dissimilarity. This is not of serious moment, however, because increasing distances involve only the element of railway pay, which we have seen is constant in effect at 8 cents a ton-mile, or 1 cent per pound for 250 miles. The foreign zones do show an increase of the rate, however, for increasing distances of about a half cent per 100 miles per pound. There is, however, a circumstance in the parcel-weight rate minimum of some of the countries—Belgium, Austria, Hungary, and Germany—which calls for special remark. These countries have failed to graduate the rate for weights below 11 pounds. This is a very serious omission, because of its deterring effect upon the potential traffic in the smaller weights, as is shown in a comparison of the Swiss and German parcel traffic. The Swiss graduate their rate down to 3 cents for the first pound, and under their rates eight (7.97) parcels per capita moved the last year. Germany fails to graduate below 6 cents for 11 pounds, and but four (3.91) parcels per capita moved there. In Great Britain, where the minimum rate is 6 cents and the weight limit but 11 pounds, less than three (2.64) parcels moved.

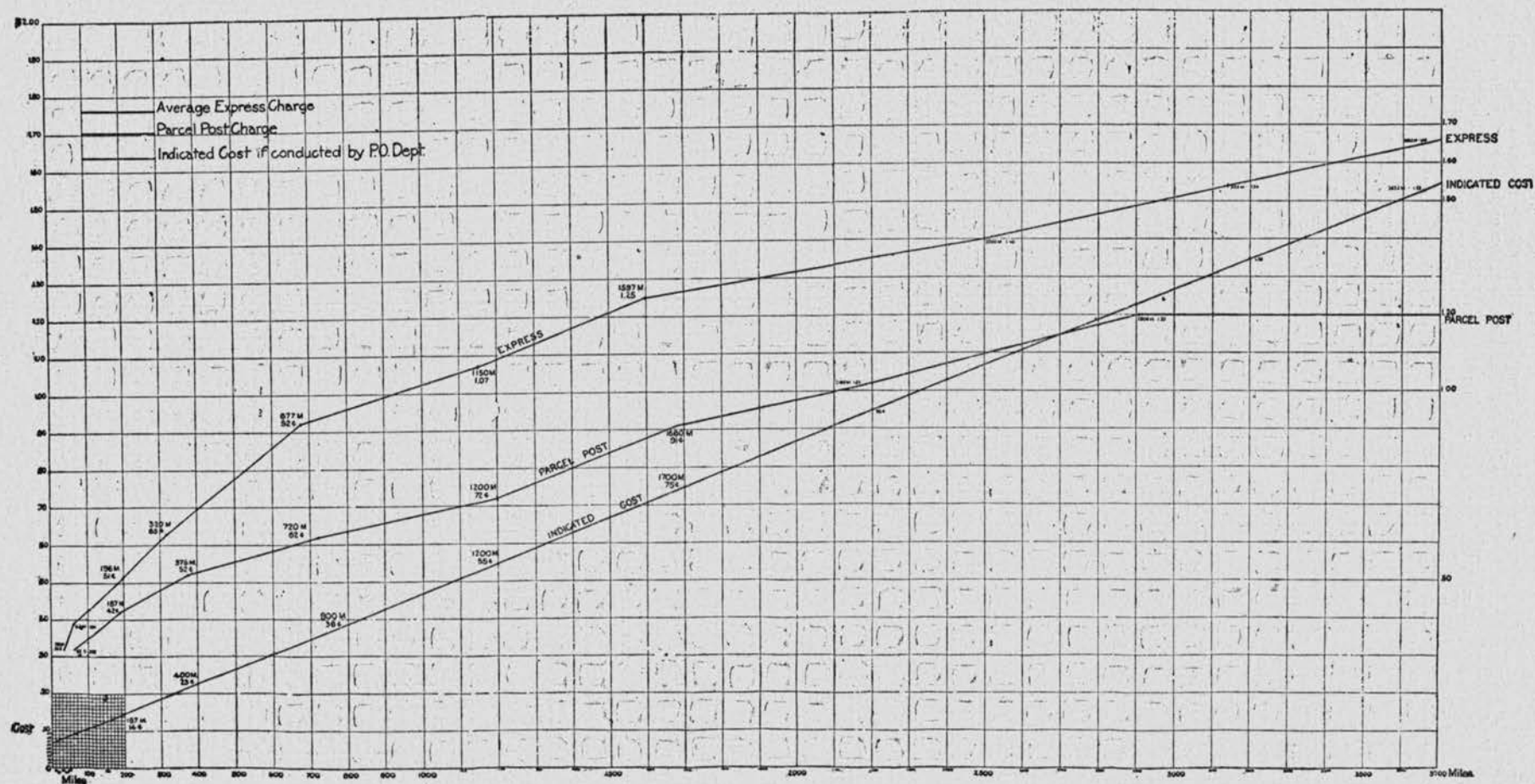
The legislative dabbler in rate making was of course thinking of the Treasury in making these minima. It is optically visible. Unfortunately the potential traffic has not been optically visible to him or the express company in the United States, and so this great public service is now denied us, and has been denied us for generations.

## THE POSTMASTER GENERAL'S ORDER.

Mr. Chairman, we have seen that there are two main factors in instituting a parcel-post rate. One of those factors is what it is going to cost us to pay the railway for carrying the matter, and on the longer distance and heavier weights that fac-

Chart "B"

CHART SHOWING AVERAGE EXPRESS RATES AND THE PRESENT PARCEL POST RATES ON A 10-POUND PACKAGE, FOR ALL DISTANCES UP TO 3,700 MILES, AS COMPARED WITH THE INDICATED COST OF PARCEL POST SERVICE ON PRESENT RATE OF POSTAL RAILWAY PAY.



tor will be almost the entire element of expense. Now that is a fact which is well understood by students of the subject. The average cost of paying our railways, including the weight of equipment, for carriage of the mails in 1912, is ascertained to be 8.12 or 8 cents per ton a mile. Eight cents a ton a mile would mean a cent a pound for every 250 miles the pound is carried.

Very well, the next element; what will that cost? We come back to the mail piece and we ascertain that the average piece in 1912 cost about 1½ cents. About 22 per cent was for railway, so we have 1.12 cents as the cost of handling a letter.

Now a letter represents the same processes of attention and of postal handling that a parcel does except one very material one. That process is the act of delivering it to the addressee. Experience shows that when the parcel exceeds 2 pounds in weight it is necessary to employ a wagon at the delivery offices of the country, and experience also shows in the most definite fashion that the cost of special delivery by wagon or vehicle of these parcels above the 2 pounds has been 4.14, or 4 cents per parcel, as will appear in an appendix of such experience I am adding to my remarks. The Postal Department has reported to the parcel-post commission, of which I am a member, that the cost of postal handling per parcel for all the new traffic was just \$0.0153, or a cent and a half per parcel of all weights, excluding railway pay. Thus we have the cost of postal handling plus the cost of delivery well ascertained and we therefore only have to add these two cost items together in order to constitute our rates.

Now, let us apply these elements to what the Postmaster General and his parcel-post committee have so wisely done, in my opinion. They were slightly referred to here the other day as inferior to corner-grocery clerks. I wish here to say of that committee that in the year of its experience with this subject it has displayed more and better knowledge of express economics than the express companies have ever shown. The Postmaster General found an ensemble of legislatively made rates. For example, a charge of 6 cents on the first pound for 150 miles, plus 4 cents on each additional pound. I want to say to the House, with all the sense of responsibility I should feel, that this rate was more scandalous than the express rates. Four cents a pound literally represents five times the cost of service for that 150-mile journey, for, when you come to think of it, 150 miles represents the extreme exterior to which a shipment can go. On the average it will go just halfway from the point of origin to the point of extreme distance, or not more than 100 miles, considering roundabout distances. In short, its tendency will be to travel about 100 miles, and so you have a charge for transportation of certainly not over 8 cents for 20 pounds for a journey of 150 miles.

Put these two factors together.

For a 20-pound parcel you would have to charge 8 cents for the railway and not more than 6 cents pay for postal handling. That is 14 cents. As the parcel-post charge on 20-pound parcel within 150-mile zone is 24 cents, it is certain that we stand to make from 8 to 10 cents on the average 20-pound parcel to be shipped under the Postmaster General's order.

And yet in that case he has reduced the rates from 46 cents to 15 cents on 11 pounds, and from 82 cents to 24 cents on 20 pounds, and is giving the public a service that it is true has been granted in nearly all other countries of the world, but which would not have been granted in this country had not this body had the wisdom to insert in the bill the provision giving Postmaster General Burleson the administrative power he has so wisely exercised for the public good. [Applause.]

Mr. TAYLOR of Colorado. Does the gentleman have any information of whether it is in contemplation to extend this zone or allow this service to apply to other zones in the near future?

Mr. LEWIS of Maryland. I only have the information, for discussion here, which the Postmaster General has given the country. It is that he means, and the chairman of the Interstate Commerce Committee joined with him in the statement, to carry it forward to 100 pounds, as experience warrants the extension—

Mr. TAYLOR of Colorado. And have it extend all over the United States?

Mr. LEWIS of Maryland. Surely. The rate now, for example, in the next zone, 300 miles, is 5 cents a pound. Now, that is three times the cost of service; and let no one deceive himself with the idea that the Treasury is getting the profits of such an excessive and abnormal rate. The Treasury is not getting the rate at all. The excessive rate is simply killing that traffic.

Mr. HELGESEN. Will the gentleman yield?

Mr. LEWIS of Maryland. Yes.

Mr. HELGESEN. After doing away with the parcel-post stamp, has the department any system by which they can keep

track of the expenditures of the parcel post—that is, what the parcel post costs?

Mr. LEWIS of Maryland. Yes; and they do it accurately by postal methods. The stamp was valueless, because it did not distinguish between the fourth-class revenue which was new and that which was old. It threw no light upon the distance or the size of the shipment or anything of the kind. It did not show the parcel revenue and threw no light on the expense. The stamp was another illustration of legislative impotency when it endeavors to encompass administrative details.

Mr. Chairman, we have taken from the express companies in our parcel-post service about 50,000,000 shipments below 11 pounds in weight, and about 10 per cent of their revenues, judged by former years. But we are actually carrying 150,000,000 shipments, not merely the 50,000,000 taken from the express service; all of which goes to prove the original statement that the express rates were prohibitive. Two-thirds of the potential traffic was being killed by their rates. So it is in this 300-mile zone, with a charge of 5 cents per pound; the shipper simply desists from shipping in, perhaps, two cases out of three, if not even more. And a rational rate means revenue to the Treasury, when it is moving the potential traffic. There is a point at which the rate can be such as to yield 10 to 20 per cent profit, say, to the agency, and at the same time move the potential traffic. And the Postmaster General has found it for the 150-mile service—

Mr. BURKE of South Dakota. Can the gentleman tell us whether or not the operation of the parcel post has yet had any effect in delaying the movement of trains by reason of the increased quantity of mail and packages that move as parcel post?

Mr. LEWIS of Maryland. I am not able to answer that question, but I am able to answer one I esteem of greater importance: Has the parcel post paid? It has paid, and paid handsomely. We shall assuredly have a surplus of from seven to ten million dollars at the end of the year, due to the introduction of the parcel post, a continuing surplus for the future.

Mr. AUSTIN. Mr. Chairman, in that connection, will the gentleman tell us how many parcel-post packages have been handled by the Government, and how much the sale of stamps has amounted to?

Mr. LEWIS of Maryland. The indications are that we shall handle some 200,000,000 shipments this year. This is about 2 per capita, which is only about one-half the number handled in Germany and only about one-fourth the number handled in Switzerland.

Mr. AUSTIN. Now, will the gentleman give us the revenue from that?

Mr. LEWIS of Maryland. The revenue for six months was \$14,000,000, of which \$8,000,000 was from parcel post and \$6,000,000 from the old fourth-class mail.

Mr. HAUGEN. Will the gentleman yield?

Mr. LEWIS of Maryland. I will yield for a simple question.

Mr. HAUGEN. The surplus that the gentleman has referred to is due to the fact, is it not, that the railroad companies have not been paid in full; the postmasters and carriers have not been paid for the services that they have performed?

Mr. LEWIS of Maryland. Assuredly not. The express companies of this country earned 2 cents per shipment on 33 pounds last year. The Government is earning from 2 cents on the pound shipment to 40 cents profit on the 11-pound shipment in the 300-mile zone, where it gets this extortionate 57-cent rate. It is killing potential traffic in other directions, however, and would make more profit by having a reasonable rate.

Mr. HINEBAUGH. Mr. Chairman, as I understood the gentleman, he said we said we had too many merchants, too many distributors. I would like to ask the gentleman if he believes that the extension of the parcel post will have an effect on the country merchant; and if so, what effect it will have?

Mr. LEWIS of Maryland. I am glad the gentleman asked that question. There are two kinds of commercial processes. The kind I described were those roundabout processes between the farm and the kitchen which seemed to me to be unnecessary, because farm products are standardized, are retail in form, and might go direct. There are many other commercial processes which require the services of the retail dealer, and especially the country store. Articles that are not standardized can not safely become the subjects of sale between strangers at a distance, and articles produced in wholesale forms require the services, too, of the home retailer, whom we trust for his integrity and knowledge of the relative value of the article. It is here that the retailer plays a most useful part, and especially the country retailer, whom I have found to sell more cheaply than the city store.

I ask the gentleman to follow me in this analysis of the country store. I have gained the facts from experience itself.

The country store is frequently a crossroads store. Often there is competition, too. That country store serves a community, let us say, of three or four hundred persons scattered within an available distance around it. Now, those three or four hundred persons have the same number of needs and probably the same kind of needs that 300,000 people have in the city of Washington. If the country storekeeper were to keep in stock sufficient goods to meet the needs of these 300 farmers around him he would have to carry a stock of at least \$100,000. Obviously he could not carry such a stock. He could not pay insurance. The community could not sustain the interest and other charges. What happens? The House will pardon me for the simplicity of the illustration I am going to employ. David gets the notion that he will propose to Mary, on the adjoining farm. He wants to trim up for the purpose, and he goes to the country store to get a natty hat or pair of shoes. They are not there. The merchant can not carry so varied a stock as the haberdasher. What happens? David loses a day to go to the nearest town or city and the country store loses the transaction in the hat and pair of shoes. But if he had transportation for this retail shipment—the pair of shoes and hat would weigh not more than 4 pounds, would cost just 8 cents for postal transport—the local merchant would save the transaction by taking the size of David's head and foot and writing or telephoning to his supply house to send the shoes and hat direct to his patron. The patron would save his day's work and the country merchant would save his transaction. Indeed the country merchant—I am talking about the real country merchant—could thus couple up with a million-dollar stock, perhaps a day or two late and 40 or 50 miles distant, but couple up with it none the less, and be able to serve his customers and retain his local trade. We can trust the country store to realize this advantage, and in a short time make more use of this method of transportation than anyone else. He has had no transportation in the past.

And, Mr. Chairman, I want to add, anyone who opposes improved transportation, cheapened transportation, in the name of modern commerce mistakes the fundamental object of commerce itself. Its function is to cheapen or lower prices by bringing the producer and consumer together and performing the exchange of products more cheaply for them than the producers could do it themselves.

In our days of wayward and shifting fashions the merchant's problem is to vary his stock enough to satisfy demands, and yet keep his total investment down to a point that will permit some profit on his possible sales. The leaders in mercantile affairs advise more frequent purchases, adapted to the specific demands of the trade as they arise, in small orders. This the prohibitive express rate largely prevents in the towns, and the nonextension of the express service to the country wholly prevents for the country store. Nor will the retailer, as a class, necessarily suffer by the loss of his trade in the farm products. What the workman saves on these he will be enabled to spend with the retailer on other things in his store. It is a mistake to suppose that no transportation, or deficient transportation, is an advantage to any class, and surely no one stands to benefit more than the merchant by reasonable express rates and a wider extension of the service. Think of what the half cent a pound rural route may mean for the country store in making daily deliveries for him to his farmer patrons who have phoned him their orders.

Mr. HINEBAUGH. Mr. Chairman, just one other question, if the gentleman will yield. Assuming that the crossroads man in the little place you mention has been eliminated and the buyer or consumer goes to the town of 10,000 and gets his shoes there, what will prevent the elimination of that merchant in time by the man still higher up, with still larger capital, who can furnish the same shoes to the consumer at a lower price?

Mr. LEWIS of Maryland. The great Lord above us gave the consumer, at least, when he is a laborer, rights that are primordial and superior to the rights of any kind of commerce. The man who earns his dollar in the sweat of his face is entitled to get the produce of the other laborer with as little of intermediate commercial addition to the price as is possible. The plate-glass front, the electric lights, the immense extravagances that now attend the conduct of the commercial business in our large cities are self-imposed additions to the price, and commerce has no right to call upon the simple laborer at the end of the week to sacrifice half his wages on these futilities. The true function of commerce is to cheapen and not exaggerate the prices of merchandise. [Applause.]

Mr. BARKLEY. Will the gentleman yield there? Does the gentleman know of any concerted action upon the part of country merchants to petition Members of Congress to endeavor to pass some sort of a law taxing interstate commerce that goes through this parcel post, in order to cripple it?

Mr. LEWIS of Maryland. That subject has been brought to my attention.

Mr. BARKLEY. The reason I ask that question is because I have received several petitions, which were gotten up somewhere in Iowa, but sent to my district to be signed and mailed to me by local merchants, asking that a law be passed taxing all this commerce that goes by parcel post, which in effect would cripple the service if any such attempt was made. I wanted to find out about it.

#### THE SHORT AND THE LONG DISTANCE PARCEL RATES.

Mr. LEWIS of Maryland. Gentlemen, it is apparent that on full passenger train service rates at 8 cents a ton-mile the rates swell beyond the utilizable for distances above 400 miles where they exceed \$40 per ton of traffic. Even with a changed rate of railway pay for this express post service, say 5 cents a ton-mile, not more than about 700 miles could be encompassed by a traffic-moving rate, and of course, even less so at 12 cents a pound or \$240 a ton, although we are bound, if we can consistently with the cost of service, to organize a governmental institution like the postal agency with a view to extending its service to all persons and places within the Republic.

I do not mean by this any flat or nonself compensatory system of rates. The necessary effect of that must be to centralize, and thus monopolize production at the points of greatest natural fertility by adding to their natural advantages an utterly artificial advantage; a transportation subsidy abhorrent to every principle of justice, of sound economics, and our ultimate social welfare. The natural advantages of place and the tariff are doing too much of this now—centralizing our industries and diverting our young manhood from the health and vigor and independence of the farm to the nickelodeon civilization and dependency of the cities.

But what I do mean is that the citizen in one part of the Republic should have for his single shipment some form of utilizable transportation to any other citizen. Rates which mean \$240, or at the best which can be hoped \$160, a ton for coast-to-coast traffic merely constitute a denial of transportation. We have heard much of the railway taking all the traffic it would bear. But a rate of 12 or 8 cents a pound would not tax; it would simply prohibit the traffic from moving at all, except in negligible instances. It does not boot to say that the express rate is as high or higher; for it does not move, but simply aborts traffic in its womb. We shall have to look in some other direction than the passenger-train service for utilizable transportation rates for these long distances. But before doing so, let us see what can be accomplished under the rates feasible and proposed for the passenger express post. To begin with, the great volume of the freight and express traffic of the United States has its substantial flow within an area of less than 500 miles from the point of consignment. This is shown in the fact that the average journey of all railway freight is but 253 miles, and that of express about 200 miles; and yet the freight haul includes journeys of the export grain traffic flowing largely from the interior of the country. As a broad proposition, it may be stated that rates competent to move the potential traffic within an area 500 miles from its center will move nearly every article of traffic in the higher prices from its place of production to its natural market. Supposing this traffic for the 100, 200, 300, 400, and 500 mile zones to average for the whole as if in the 300-mile zone, as does freight at 253 miles, then the average charge would be 1½ cents per pound, or \$30 per ton; a charge nearly all of the domestic necessities, except coal, potatoes, and so forth, could easily bear, and a charge that would rarely exceed 5 per cent of the prices now paid by consumers. To illustrate, I will recur to the half dozen articles referred to in the beginning of my remarks, with their prices on the farm as compared with the Washington retail market something over a year ago, and will add the proposed rates to the farm prices to compare the direct-to-consumer price with the roundabout commercial price.

Country produce sold in Washington Aug. 5, 1913.

Article.	Sold to consumer for—	Wholesale price.	Farm price.	Parcel post.
Eggs (2 dozen).....	\$0.56	\$0.40	\$0.32	\$0.06
Dressed chicken (3½ pounds).....	.77	.56	.42	.03
Butter (3 pounds).....	1.05	.75	.60	.08
Country sausage (3 pounds) (as of October, 1911).....	.54	.33	.21	.08
Country cured ham (10 pounds).....	2.20	1.20	.90	.15
Apples (half bushel).....	.65	.40	.25	.24

A shipment of the following, weighing with container 20 pounds, would cost for transportation from the farm over the rural mail route and by the railroad to the city, up to 150 miles of direct distance (possibly 225 miles by railroad) and then delivered by the city mail carrier, 24 cents:

Article.	Farmer gets.	Whole-sale price.	Consumer pays.
Eggs (2 dozen) .....	\$0.32	\$0.40	\$0.56
Chicken (3 pounds) .....	.36	.48	.66
Butter (2 pounds) .....	.40	.50	.70
Ham (10 pounds) .....	.90	1.05	2.20
Add container (2 pounds) .....	1.98	2.43	4.12

All of which means that even now the Washington consumer, other things being equal, might order these necessities direct at a total cost of \$2.22, as against \$4.12, price levels remaining static.

All but the very largest cities can be supplied with farm necessities within the area of the first zone, it being 31,416 square miles in extent, or over 20,000,000 acres. Within the second zone of 200 miles, covering 125,664 square miles, at a cent a pound, every city, except possibly New York and Boston, might derive such table necessities, while even those cities might depend on the land included in the area of the third or 300-mile zone, having 282,744 square miles of surface, with a total transportation charge of but a cent and a half per pound to add to the price at the farm, or \$3.60 for the direct order, as against \$5.75 for the indirect transaction with the producer.

In instances where the farmer and consumer were unknown to each other a small charge of from 3 to 5 cents would have to be added to pay the cost of collecting the price and remitting it to the farmer. But where established custom obtained even this charge would not be necessary, as periodic settlements would take the place of the C. O. D. practice. A line in the local paper would inform the consumer as to prices and producer, and a postal card or a phone call would inform the producer of the consumer's wants. The postal conduit would then pass the article direct and collect and remit the farmer the price, if required. The latter would not, as an intelligent constituent writes me, have to leave his farm to market a small allotment, when, as he explains:

It sometimes happens that on the day that I must go to market a field is in ideal condition to be prepared for planting a crop or to cultivate a growing crop, or a field of hay or grain is ready to be put in the mow; but I must go to town to dispose of my produce.

#### FAST FREIGHT POST.

Manifestly, there will be many instances covering a large part of the potential traffic where the article can not pay the relatively high-priced transportation rates provided by the passenger express post when subjected to a very long haul; such articles, for example, as are relatively low priced in relation to their bulk or weight, and for which when weighing less than 100 pounds the railways provide no proportional rate, or in any instance articulation with nonrailway points. What I have already said as to the cost of postal handling, including collection and delivery, may be taken as applying to such cases, the railway transportation economies of which I shall now proceed to discuss.

A shipment now goes by express rather than by freight in order to—

- (a) Obtain highest expedition of movement.
- (b) Obtain security and delivery.

But it often goes by express to obtain a lower rate, where the 100-pound minimum rate of the railways, e. g., the coast to coast first-class traffic with a 100-pound minimum rate is \$3.70, while the express charge for 5 pounds is 85 cents, 10 pounds \$1.54, 20 pounds \$2.89.

Then, too, a very large proportion goes by express because the minimum express and railway rates are the same for short distances and light packages, while the express grants additional facilities. The scientific rate maker has an axiom that rates should be—

- (a) Sufficiently low to enable the shipment to move to its natural market with a profit, and yet
- (b) Sufficiently high to pay all the out-of-pocket expenses of the services, and as large a share of the fixed charges as the fiscal exigencies of the carrier may require.

Our railways have gone a long way to gratify the first element—mobility—with respect to the larger articles of commerce, but their practices have, in effect, condemned the small, low-priced consignment to commercial immobility. The Germans

have worked out the possibilities of transportation in this respect. They have not only the parcel post, available to 110 pounds, at a rate which works out at \$13.67 per ton on 13-pound packages for 225 miles, but have also the passenger express at rates four times the freight rate, and what is here called the "fast freight" commanding just twice the freight rate. The latter service makes the rate concession necessary to enable any package, small and cheap, or larger shipment requiring speed, to move to the markets.

I come now to discuss this method of fast transport, which obtains in Prussia and perhaps in Austria. It is a mixed fast-freight service supplemented by passenger train on the branches. When the place of consignment or destination does not coincide with a fast-freight stopping place, the shipment is expedited either to such point or from such point by the accommodation passenger train. The rate for this service is twice the freight rate, according to its class, while the rate for passenger-train express is four times such freight rate. The conditions obtain for the adoption of this fast-freight express in the United States. On all our trunk lines fast-freight service exists, with an average speed of from 20 to 25 miles per hour. Speaking generally it is only on the branches that this fast service is wanting where, of course, the accommodation passenger train may always be found.

The system works quite simply in Prussia. There the class traffic by which the rates are determined travels on a rate formula literally comprised in a single page, and by which the weight and distance of destination of the shipment being stated, the rate can be computed by the application of the formula.

This simplicity of rates does not obtain in the United States. As we have seen, its existence is necessary to a feasible rate for small consignments.

Since in both ordinary and secondary express we shall substantially always be dealing below the 100-pound line the "transportation-accounting" burden will be present if either be conducted by private corporations. The practices must be kept up by them in their individual relations to the package and each other and they can not dispense with this accounting. Accordingly, under present railway and express conditions rates proportioned to the diminished weight of the package can not reasonably be asked of the railway or express company, while rates based on the necessary minimums of the railway and express company operate to prohibit, perhaps, more than half of such shipments. The act of moving the small package grows relatively less costly with its weight. The complex series of acts looking to its fiscal relation to the company grow relatively egregious as the weight of the shipment and the journey on any weight approaches the minimum. The latter is then the problem to be solved if we are to secure a feasible package rate.

To solve it adequately, the shipment must be divorced completely from the "transportation-accounting" practices of the transportation company. It can be stated that the only instance in which this divorce is now accomplished is in the case of packages carried in the mail, of which no record is kept and no accounting takes place. The railways trust the Government to pay them for carrying those packages upon bases of aggregate weights and the volumes of traffic; and while there is some complaint both from the public and the railways that these bases are unjust, neither would think of resorting to the piece-accounting method of the express company for computing the service rendered. Such a method would weigh down the whole Railway Mail Service with accounting expense.

The parcel rate would have to be picked out from the 800,000,000 place-to-place rates (Stickney), an act (off the beaten lines of traffic) so expensive in its character, saying nothing of its fallibility, as to eat up the fiscal loading which the small article might bear and still move. Moreover, with a feasible rate for the diminutive consignment, the whole character of rate finding would likely change. Now an immense proportion is on beaten lines familiar to the freight agent, and in quantities large enough to sustain the cost of the "rate hunt" when otherwise. Accordingly, fast-freight express, as adopted here, in the interest of a feasible rate and the operating economy of the carrying railway, would have to have a rate formula as simple as the Prussian.

#### THE CLASSES.

In ordinary express, most articles being treated as of the first class or higher, we were not required to consider a question now before us. It is, How many classes for rate purposes should be adopted? Simplicity makes a very natural, if uninstructed, appeal for one class. But I think the conditions render such a treatment either insufficient or impracticable. To adopt rates exclusively based on the rail charge for carrying the sixth-class freight traffic would be unjust to the railways, and result in

largely diverting the higher classes of traffic from the railways to the secondary express. To adopt rates based wholly on the first or higher classes would be, in effect, to deny admission of lower-class shipments to the secondary express service. The conclusion reached is that the German method should be followed and class rates made, recognizing all classes. This would require the postal officials on receipt of the shipment to ascertain the class to which it belonged in the uniform classification, not an expensive task. The article would have in a general way the same adaptation of the rate to the ability of the article to bear it, and move with a profit to its natural market, which freight rates possess.

#### DISTANCE RATES AND DECLENSION OF RATES.

I call attention now to the Talcott formula with reference to freight rates. Broadly stated, it means that the cost of freight carriage tends to increase, not in arithmetical proportion to the increase of mileage, but in proportion to the increase of the square root of the added mileage; or, less technically stated, the cost tends to double as the distance quadruples. There has been an instinctive recognition of this truth by the rate makers in the express traffic, as well as in freight. There is now given a table comprising the average of nine representative rates for the first and sixth classes, and for distances running from 36 to 900 miles, covering all sections of the United States. It shows that, substantially, the Talcott law holds good for both classes (and doubtless for all classes) up to 900 miles. Data is wanting for greater distances, but it is probable that the rate curve from 900 miles up tends to decline at a lessening rate. For the purpose of this discussion it is treated as flat, i. e., as nondeclining, after 900 miles.

Table of first and sixth class freight less-than-carload rates based on averages of 9 actual rates for each distance, compared with rates by the Talcott formula.

[Per 100 pounds.]

Distance (miles)—	Square root.	First class.		Sixth class.	
		Actual rate.	Talcott formula.	Actual rate.	Talcott formula.
25.....	5				
36.....	6	\$0.205	\$0.205	\$0.09	\$0.09
100.....	10	.302	.371	.115	.15
196.....	14	.461	.477	.163	.18
324.....	18	.56	.613	.217	.27
484.....	22	.725	.75	.28	.33
676.....	26	.969	.886	.369	.40
900.....	30	1.102	1.023	.418	.45
1,024.....	32	1.297	1.091	.547	.48
1,156.....	34	1.357	1.169	.577	.51

As a matter of fact, the sum total of the formula rates for the two classes slightly exceed the sum total of the actual rates up to 1,024 miles, so that the Talcott law may be said to hold good on the whole for that distance.

The above table is given with a view to ascertain what zones are practicable in harmony with existing railway freight rates. It is beyond argument that in a country like ours a considerable number of zones would be necessary. My own impression is that there should be about 24, both for the purpose of correlating express rates with the freight as well as adapting the rate measurably to the service involved. This condition would not involve us in any complexity, for what can be made simple may be so regarded ab initio.

The above elaborate statement is essential to an understanding of the first difficulty in formulating a feasible rate for small packages, for the elements of such are not merely (a) that it be high enough to produce sufficient revenue to pay all the cost of the service, but also (b) that the rate be low enough to enable the article to move with a profit to its natural market.

Gentlemen, the work of the Postal Department in the proposed secondary express would be that of receiving or collecting shipments less than 100 pounds in weight and assembling them into carload lots, to be transported by the railways to fast-freight stopping points, where the department would receive them and deliver them to the respective consignees, using the branch-line passenger train when necessary. The weight limit should not exceed 100 pounds, for from that point up the railway company now provides a service with rates graduated to the actual weight carried. Now, the railways give what is called carload-lot rates to shippers, when they ship under one bill of lading weights aggregating from 15 to 25 tons, such rates being from one-half to two-thirds only of the rates charged for less than carload shipments. In official-classification territory

81.63 per cent, in southern 65.61 per cent, and in western 70.50 per cent of the class articles are given such carload-lot ratings by the railways. It is in consideration of the fact that the railway is released from the large accounting burden involved in the small shipments and the great number of stops it has to make for way or accommodation freight that these lower rates are given. Since the Post Office Department as an assembler on the trunk lines would be furnishing carload quantities it ought to pay only carload rates, and this as an abstract statement the railway interests will all admit. But when we come to apply it we find such a complexity of rules as would effectually deny the right. For example, there are numerous classes in the official classification which are somewhat different in the western classification and yet different in the southern. Now, there is no distinctive carload-lot class, but there are numerous classes for the different 100-pound shipments. Thus agricultural implements may be class 1 and in carload lots class 5, while crated berries or fruits would fall in class 1 in 100-pound lots and class 4 in carload lots, respectively, for these different services, while typewriters fall in first class and have no carload rating at all. Nor does the complexity end here. Another rule is that the carload shipment shall take the carload rate appropriate to the highest carload tariff of any article in the car. These rules have been made to protect the railway revenues from the assembler for private profit who otherwise might contrive to capture all the less-than-carload traffic, and, converting it into carload form, reap the difference in rates as a profit for his cunning.

It is submitted, gentlemen, that such protective practices do not apply to an effort of the Post Office Department to secure transportation for the less than 100-pound shipment, and that instead of loss of revenue, the railways could only gain increased revenue through the admission of this shipment to transportation. And I do not anticipate that the railways would make opposition to a reasonable program, having in view such simplification of carload rate conditions as would enable the department as an assembler to utilize their fast-freight service for the transportation direct from producer to consumer, and otherwise, of shipments now largely denied transportation by the 100-pound minimum, and denied it wholly for rural shippers. It is not proposed that these carload rates should be reduced. They are low enough. But it is desired that they should be rendered available to move a line of potential traffic otherwise lost to the public and the railways, namely, traffic in less than 100-pound lots.

I confess, sir, that it is far from easy to form a rule that will meet the situation without working substantial interference with the rate structures of the trunk lines, and yet a remedy is necessary if we would attain a great public object. Without such a rule the specific railway rate on each diminutive shipment in the assembled carload would have to be ascertained, a task so costly as to wholly defeat the object; and moreover, a process that would only defeat the granting of the carload rate.

Gentlemen, although the task is difficult, I believe it can be accomplished if the Interstate Commerce Commission and the railways undertake it in a truly public spirit, and with the idea of suggestion only, I propose the following plan:

#### A POSTAL CARLOAD RATE.

The great railways know the weight volume of the traffic in each article and class, and thus the percentage of the class traffic which moves on their respective roads, or can readily learn it by an inspection of their bills of lading. Let them treat the Government carload as composed of such percentages of each article and class, and affixing to each such percentage its carload rate on a given route, compound such rates to secure a composite carload rate on all postal traffic carried on their fast-freight lines, which shall be treated as composed of like percentages. Let us suppose that this average would approximate its third-class (less than carload) rate in a greater number of cases. In such case the postal carload rate would be taken as the third-class rates on all its lines. In this way it is designed to work out for each trunk line a joint or merged carload rate approximating the collective revenue which it would derive under its rates as separately applied. The same disposition could be made of postal less-than-carload traffic. In such case the railway would haul the cars, take account only of the gross weight of their contents, and submit its bills periodically to the department for payment. The department and the railways would be saved the impossible expense of rate hunting and accounting on multitudinous shipments, and the department secure the carload rates its traffic both needed and deserved, while it could ignore, as if some foreign language, the minutia and diversity of the various and contradictory classifications and literally innumerable tariffs, in formulating a rate

system for the patrons of the service. Such compound rates should be given only to the Government, and considering the peculiarities of the traffic I do not think it would constitute a "preference."

Of course it is not to be expected that every railway manager would, upon the mere request of the Postmaster General, file such a postal tariff. We are deterred from such a hope by the example of the few railways ever present, recalcitrantly preventing the adoption of a uniform classification. But the Interstate Commerce Commission has jurisdiction, and the Postmaster General as a shipper, or the Government as a body politic, can invoke its powers to establish such rates and practices as may seem just and necessary. A petition to the commission making all the trunk lines parties and asking for the establishment of the desired rates is the method of solution of this problem which anyone would suggest. I should greatly prefer it to being obliged to force a legislative solution upon the railways, as we do for postal pay.

#### FAST FREIGHT POST RATES.

Having purchased from the railways the transportation in wholesale quantities, when the weights justified, the Post Office Department would sell it to the public in retail quantities of 100 pounds and less, at uniform rates, compounded from averages of the 100-pound rates of the railways for the different distances. To do this it should have zones, as in the passenger-train express post. But it should also establish classes approximating as nearly to those of the railways as practicable.

There is one difficulty in the work to which I will now specifically refer at the risk of being unduly tedious. Railway revenues ought not be impaired through the use of the carload rate; and so I believe the rates to the public ought not be made so low as to divert important or substantial traffic from the railway. The purpose is to secure for the less than 100-pound shipment the right to move at proportions of the 100-pound rates, plus the costs of postal handling, in order to articulate the railways with the farm and secure transportation that will move all standardized forms of retail production direct to consumer. To formulate such rates uniform rates for the entire country, which are not so high as to prohibit and yet not so low as to seriously divert from the railway its accustomed traffic, is, I own, a laborious but yet far from an unfeasible task.

In an appendix I give an expository table showing the rates which are feasible by the proposed fast-freight express. For the first class they begin for the shorter distances at about half of the present express charge, decreasing gradually with the distance, until at 3,600 miles they are but one-third. For the sixth class they begin also at one-half, but decline to about one-eighth of the express charge for the longest distances. It is easy to see the influence which such rates would have in moving the Florida and California market basket. There would be a very great margin of profit for the Government in such rates. The difference between the carload rate which it would pay and the proportions of the 100-pound rates which it would charge would, I think, give it a profit of not less than one-third of its gross receipts.

Gentlemen, I think that in two, at most in three, years by energetic action the postal authorities might have this fast-freight post in operation. Meanwhile all the subordinate problems of postal handling would be worked out in the development of the passenger-train postal express service.

#### ADMINISTRATIVE ECONOMY AND EFFICIENCY.

The problem is to get the package rate somewhere as diminutive as the package. In order to do this the simplification and not the multiplication of processes and agencies is the great essential. And we have seen also in the treatment of "transportation accountings" that a small package is now penalized to comparative extinction by the complexity of processes and agencies, unavoidable in intercorporate relations, and which only a unification of the agencies and simplification of the processes can remove.

Gentlemen, speaking of simplification of processes, I make bold to say that if the practices applied by the express companies to the small shipment were applied by the Post Office Department to its small shipment, the mail piece, our letters would cost us at least 6 cents, and, taking into account the resultant diminution of the traffic, perhaps even 10 cents apiece. What do the express companies do? They actually burden down this small shipment with the same accounting processes applied by the railway to carload lots. Simply affixing the stamp replaces all these processes in postal transportation. The thoughtful man will surely see that the problem before us is to reduce the cost of handling, and with it the rate for this small shipment to something like its own size. To do this,

manifestly we should apply letter and not carload transportation practices to it.

There is one transportation agency in the United States which is able to divorce the package from the accounting burden. It is the postal system. It is doing so now. If we except the stamp account of the local postmaster with the department, absolutely none of the express accounting described takes place. It is the only transportation institution which has accomplished this distinction. And this statement is not made with the purpose of invidious comparison with other transportation agencies. The condition results from its uniformity, universality, and consequent simplicity of relation with other transportation agencies and the world at large.

It may be urged that some of these accounting items are necessary safeguards against the loss of the shipment by theft. At present the postal system finds it more economical to locate and punish actual thieves than to keep watch over all its employees in an obviously vain enterprise of preventing the occasional miscreant. For those articles of traffic especially susceptible to this danger, such as money and other valuables, adequate protective processes and insurance indemnification should be provided, to be specially paid for.

Gentlemen, we have seen the superiority of postal over express methods in administrative practice. It remains to inquire the relative working efficiency of the postal personnel.

#### WORKING EFFICIENCY.

There has been a disposition among a certain order of writers to refer the conceded excellency of the operation of public utilities in Germany to the military spirit or to the alleged presence there of a class accustomed to command and a working class equally accustomed to obey. Obligated to admit that Germany's experience with public functions has been satisfactory, these writers insist that our democracy precludes any such hope in America. They do not speak of mere irregularities here, although these are what they hold up as evidence for inefficiency, and since such irregularities in foreign countries do not get into our press, a kind of unfavorable impression is made. Talk of postal deficits is indulged in as if such deficits were not merely definite statements of the amount of service given the public for which it is not called upon to directly pay; but the point of efficiency involves a wholly different element—the amount of service rendered by the employees. The table shows this service and its extraordinary advancement during a generation, notwithstanding the added burdens, notably the rural free delivery.

*Comparative table of the number of pieces of mail matter handled per employee in England, France, Germany, and the United States at different periods.*

Countries.	Average number of pieces of mail matter handled per employee in—					
	1890	1895	1900	1905	1908	1912
England.....	22,230	28,775	28,646	31,945	31,117	.....
France.....	34,590	45,700	38,309	41,958	38,241	.....
Germany.....	17,287	15,638	20,552	22,160	25,901	.....
United States.....	24,611	26,235	32,569	42,739	51,591	60,504

These averages were reached by dividing the total number of employees engaged in the postal service into the total number of pieces of mail matter for the years given. In the cases of France and Great Britain the number of employees was diminished by one-fourth, the estimated number employed in the telegraph and telephone service; in the German figures the same reduction for the telegraph and telephone employees is also made, but is raised to one-third in 1908. The statistics are found in the *Union Postale Universelle Statistique Générale*, published at Berne, Switzerland.

There are, of course, some slight differences of conditions in the work done by the respective postal plants. Postal savings and parcels are all the subjects of more extensive service in the foreign examples; but it is believed that these are much more than made up in the United States service by its low density of population, entailing greater railway mail, free rural delivery, and other work expenditures upon the average mail piece. The marked extent of this condition is shown by the mere statement of the population per square kilometer of area: Eight for the United States, 73 for France, 146 for Great Britain, and 112 for the German Empire.

Agreeably different from the express service, this postal efficiency has shown itself in the decline of the service cost per letter to the patrons of the postal system, progressively, for a generation.

Comparative unit cost of postal system, 1886-1912.

Year.	Number of employees.	Estimated number of pieces mailed, including foreign matter.	Number of mail pieces per employee per annum.	Cost per average mail piece in cents.	Cost per average mail piece in cents, excluding assignable cost of Rural-Delivery Service.
1886.....	122,698	3,474,000,000	28,313	1.44	.....
1887.....	127,288	3,495,100,000	27,458	1.49	.....
1888.....	134,112	3,576,100,000	26,665	1.55	.....
1889.....	129,295	3,860,200,000	29,855	1.58	.....
1890.....	153,857	4,005,408,206	26,033	1.61	.....
1891.....	162,855	4,369,900,352	26,833	1.63	.....
1892.....	171,780	4,776,575,076	27,806	1.57	.....
1893.....	178,018	5,021,841,058	28,209	1.57	.....
1894.....	183,916	5,919,000,000	26,746	1.67	.....
1895.....	189,671	5,134,281,200	27,069	1.64	.....
1896.....	194,533	5,693,719,192	29,268	1.64	.....
1897.....	199,846	5,781,002,143	28,927	1.67	1.57
1898.....	208,873	6,214,447,000	29,752	1.50	1.50
1899.....	215,904	6,576,310,000	30,459	1.47	1.47
1900.....	224,029	7,129,990,202	31,826	1.44	1.43
1901.....	235,327	7,424,390,329	31,549	1.48	1.46
1902.....	246,524	8,085,446,858	32,797	1.47	1.42
1903.....	256,673	8,887,467,048	34,625	1.49	1.40
1904.....	268,685	9,502,459,535	35,366	1.53	1.40
1905.....	272,034	10,187,505,889	37,449	1.56	1.36
1906.....	278,058	11,361,090,610	40,770	1.49	1.28
1907.....	278,010	12,255,666,367	44,083	1.48	1.26
1908.....	283,481	13,173,340,329	46,469	1.50	1.25
1909.....	288,036	14,004,577,271	48,620	1.49	1.25
1910.....	291,820	14,850,102,559	50,975	1.47	1.22
1911.....	291,113	16,900,552,138	58,054	1.23	1.12
1912.....	290,701	17,588,658,941	60,504	1.34	1.10

If further evidence were desired as to the adaptability and the capacity of the system to assume and discharge the work in mind, then assuredly the experience of the last eight months supplies it. The duty of handling an express traffic which promises to exceed in number of shipments if not in volume that of the express companies, has been accepted and discharged with admirable success and unprecedented profit. In my judgment the efficiency of our postal system is without comparison in small-shipment transportation.

The plain people of the United States have an abiding confidence in the service value of the American post office; and this is not because of patriotism, but of appreciation of what it does for them. It is the one great transportation institution whose single purpose is "servamus"; and this purpose it does accomplish in a truly wonderful way. Taking a postal card half around the planet for a penny. How this strikes the imagination. But does it pay? Perhaps not. But what other institution will render such a service to the beggar, and for a beggar's mite? Where others fail, it mounts. Where private initiative and private capital, acting on the instinct of self-preservation, refuse to go, it harnesses the dog and the reindeer, and there it goes, carrying the mother's missive and bringing back the filial succor of the explorer's new-found gold. In individuals this would be but ephemeral heroism, and bring certain failure. But the postal system grows with it, and seems to thrive. Last year, after giving a subsidy of nearly half its service to educational publication, it made the 2-cent stamp furnish revenue to pay for the whole service.

All this, of course, is not a mere product of patriotism; but it is the joint product of unification of function and a motive to render the utmost service. There is the individual motive, first, to serve yourself, and thus serve others. There is the social motive, practicable in a limited number of cases, and it is the motive which, acting under conditions of complete coordination of functions, explains the truly incomparable service of our postal organization.

#### THE EXPRESS POST AND SUBURBAN GARDENER—A NEW INDUSTRY.

I have had an intelligent farmer go over the incidental products of his farm, which, when delivered in less than wagonload quantities, can only be marketed at terrific economic expense. His list includes the following, as to which, if the service included the collection of the price when required, he says he would ship by the postal van and save the value of his presence on the farm:

Eggs, butter, dressed poultry, meat (country cured), celery, tomatoes, fruits, berries (various), cauliflower, cabbage, turnips, apples, pears, string beans, string peas, carrots, parsnips, beets, sweet corn, salsify, and honey.

I do not undertake to describe in detail the manifold effects economically and socially involved in such a system. One of the very important results would be the establishment of a *modus operandi* for the truck farmer and suburban gardener to connect with his patron.

Mr. MURDOCK. Originally they had great hope of moving farm products. Now, have they moved them to any appreciable degree?

Mr. LEWIS of Maryland. They are beginning to move under this new rate, as I happen to know.

Mr. MURDOCK. Are they moving from the farm in the original shape, such as a roll of butter, to the town?

Mr. LEWIS of Maryland. To a certain extent. But it will take time to develop the new practice, because you have to deal to a certain extent with psychological factors. One of the problems is to secure the packing containers sufficiently cheap and yet sufficiently reliable to carry products safely from the consignor to the consignee. The canning trade has accomplished this. Such containers are now made, but the cost of them is rather high, and indeed it will require time to put this new agency through the gamut of human factors before it reaches its fruition. I may say that our hopes are not likely to be disappointed, for in other countries where they have a rational parcel post these things move from the farm to the kitchen, notably in Germany.

#### THE AGRICULTURAL POST.

In the present state of things the truckster and farmer must devote considerable time to marketing; that is, to the transportation of his product, however little it may be, to the place of demand. He must also for this purpose provide himself with transportation facilities, however small his business. These involve a horse and its maintenance and care, and a barn, and the expense of both during the unproductive period. And yet in a socio-economic sense his work and expense of transportation is the smallest element in his service to the public, although it requires the maximum of upkeep and expense, if not of capital. The proposed postal collect and delivery eliminates all these, and would enable the truck farmer and suburban gardener to enter the business on a minimum of capital and pursue it on a minimum of labor and expense. The field service of a horse he could hire as occasion might require. Thus the truck-farming industry would receive a necessary impetus, and the cost of such foods be greatly reduced to the consumer, saying nothing of the advantage in quality coming from a speedier forwarding to the market by daily allotments instead of the delays now incurred to gather a worth-while load.

On the margin where the railway terminates and the great rural and agricultural supplies begin there are transportation conditions, or want of conditions, which seem to be vital to the economic prosperity of the country. Take a coal miner at about 60 years of age. He is still an athlete, but his lungs have become incapacitated to breathe the vitiated air of the coal mines. His arms are good and strong, and he is willing to work, but under present conditions he finds himself unable to shift from the mines to another employment. He may be able to raise \$300 or \$400 to buy a few acres—and there is nearly always plenty of land available for truck farming near the coal mines—and a little cottage to shelter himself and his wife.

But that is not all he would have to buy to-day in order to go into truck farming—raise the necessities of life for himself and his wife and sell the excess to those who needed it in the city. Outside of the land and cottage, as things are now, he would have to buy himself a transportation system—a horse and wagon, a barn, and hay. He would have to maintain this transportation system throughout the year, however short the period of actual employment. Moreover, since the excess production available for sale would be very small, he would be taking a great deal of time wagoning his small allotments to the town and looking for a market. But articulate the railway and the city with the country through the means already in existence—a structure almost complete at this moment—the rural free delivery. The miner could then go into the truck business. He would not have to buy a transportation system and maintain it; he would not need to rush to the town with every 10-pound load at great expense of time and labor and with very little economic benefit to the public. Every day, or every other day, or every third day, as might be feasible, the postal van would pass his little truck farm and receive his allotment packed according to regulations.

Let me say that this is no dream. I know it is the situation presented to nearly every coal miner at some period of his life. How far it would be true of men who have tired of the city, of the laborer who has been thrown on the scrap heap, unable to secure his old employment there; to what extent he would want to become a small truck farmer—poor, perhaps, but independent and self-sustaining—I can only have a speculative opinion. But ought not the opportunity be present?

Even under the largely impossible conditions of land values in Great Britain, this result has largely worked itself out. The vital necessities can be obtained fresh from the suburban

gardener and farmer with the certainty and the celerity of the mail. Besides creating a new industry here—suburban gardening—where land is plenty for this purpose, it should introduce another element of great desirability. Now, the consumer has no one to blame for bad butter, and so forth. The producer or the time of production he does not know. In the new situation the producer has a personal relation with his customers, who can hold him responsible, and, if necessary, punish delinquency with loss of trade.

#### PENNY POSTAGE.

Gentlemen, there is spreading through the country a demand for 1-cent postage. It is true that the 2-cent rate is nearly universal, but in terms of European price levels we really have 1-cent postage now; for our 2 cents represents but half the labor that it does beyond the seas. Of course the proposition, if feasible, is desirable, and so raises nothing but a question of financial feasibility. The reduced rate ought to be granted if with it the Post Office Department can be made to pay its way. The proponents of it rely mainly on the argument that the letter pays greatly in excess of its cost of service, and is subjected to a 2 instead of a 1 cent charge mainly because the second-class newspaper, periodical, and magazine are charged but a cent a pound, when they average a cost of about 7 cents per pound. But admitting the facts, their argument does not surely follow. The average mail piece, including all kinds of mail, in 1911 cost the department \$1.41 per 100; and the department deduces a cost of \$1.24 per 100, or over 12 mills each, for the letters; which at 2 cents yield a profit of 39 per cent, while the proposed reduction amounts to 50 per cent. It is no answer to say that the second class should pay its proportional or economic cost of service, say, \$1.41 per 100 pieces. It could not. It would simply disappear, leaving as little revenue for what remained of it as we secure at present, with a reduced expenditure for railway pay, say, of less than \$10,000,000, but a postal organization the expense of which would remain practically unredressed. As much could be gained by conserving this second-class traffic at the rate of 2 cents a pound, recommended by the commission, with Justice Hughes as chairman, to which the whole question was referred, yielding about ten millions of yearly increase in revenue without, it is thought, a material reduction of the traffic.

Such, however, is the insistency that penny postage can not long be delayed and will come, and under such circumstances the postal authorities would do well to cast about for repulsive revenue. The second class can not be made self-compensatory, although it may be required to help somewhat, as indicated. Now, there is another service alike unremunerative, which similarly no one would destroy—it is the rural free delivery, yielding revenues of about one-sixth of its cost. Can it be made remunerative or nearly so? It is costing this year about \$47,000,000. Gentlemen, I believe that ultimately it can be made to pay its way through the simple expedient of opening the rural wagon to farm and factory products, by removing the restrictive rates and weight limit which now prevent the movement of the potential traffic in factory and farm products from town and country store to the farm, and from the farm to town and city consumers. If this expectation be realized a new revenue equal to from twenty to forty millions would result. Meanwhile a fully developed passenger, express, and fast-freight posts should add as much more as the added rate on second class and the fully utilized rural service. If all these hopes, very speculative it is true, should be measurably attained, an increment of from forty to eighty millions of dollars might be secured to meet the immediate deficit in postal revenues sure to follow the introduction of 1-cent postage.

And now, as to the extent of that deficit. What would it be? Our only definite experience is that of the reduction from 3 to 2 cent postage in 1883-84. The net decrease of the total revenues of one-third in the rate was 12.80 per cent. Assuming that the percentage of loss would be proportional for a 50 per cent or one-half reduction, the loss in 1912 would have been 19.20 per cent of the total revenues, or \$49,424,000; say, \$50,000,000. This reasoning assumes that the reduced rate would have effects in all respects proportional to the experience of 1883-84, i. e., in increasing the first-class traffic in the matter of railway pay, and in the matter of the cost of the increased postal personnel, an assumption that is logical and probable, so far as I can see.

I am not here advocating the penny postage idea. In discussing it I am simply recognizing inevitable tendencies. It is going to come, and as an advocate of sound business economics in the Post Office Department I have merely been pointing out the ways in which the shock of its accompanying deficit can probably be met. Unless that deficit is to be met by the highly unjust and uneconomic methods of indirect taxation it can

only be met by allowing the postal system to recoup from the profits of its passenger and fast-freight express traffic, together with the increment which must arise from a full utilization of the rural routes when the weight limit and the absurd rate restrictions on the traffic have been removed.

#### RECAPITULATION.

Object: To reduce the cost of living and express rates.  
Means: Provide adequate transportation for retail shipments, i. e., in sizes to suit consumers' needs, direct from producer to consumer.

Example: Farm products are usually produced in retail form—eggs, chickens, butter, hams, etc., but no direct transportation existing to carry them direct from producer to consumer—from the farm to the kitchen—they now must go into the roundabout processes of commerce, which double the price to the consumer.

Retail transportation: There is now no transportation for retail shipments. The railway is engaged only in the wholesale or commercial business. Its minimum weight is 100 pounds—too high for retail purchasers. Besides, it does not articulate with the farm. The express company does not articulate with the farm; and its rates are three times normal, and prohibitive. Transportation accounting burdens prevent both railway and express companies from making rates proportional to the weight of diminutive shipments.

Parcel post: The natural agency to carry retail shipments. Does not do so now, because of two restrictions upon its operation—the prohibitive weight limit, and abnormal pound rates—from four to six times the cost of service on short distances.

Remedy: The Postmaster General has legal power, with consent of the Interstate Commerce Commission, to reform the rates, weight, limit, zones, classifications, and "other conditions of mailability," or the committee on a general parcel post may report necessary bill.

Costs of service and service conditions warrant the following changes:  
Raise the weight limit to 100 pounds.

No weight limit on shipments delivered to the railway terminal by the consignor and collected from it by the consignee.

A zone system of 100 miles to each zone, including the local zone.

A rate of 1 cent per pound for each such zone plus the initial charge of 3 cents, arbitrary, for the first pound.

An improvement of classifications to include books, etc.

Results: Farm and standardized products can be marketed direct to consumer at 1 cent a pound in the first zone, embracing an area of 20,106,240 acres; at 1 cent per pound in the second zone, with additional area of 60,318,720 acres; and 1½ cents a pound in the third zone, with additional area of 100,531,200 acres.

Suburban gardening: A new industry will develop, such transportation being provided through the utilization of rural delivery, and the possible trucker being released from the necessity of buying and maintaining an independent transportation system of his own.

Farm outlet: The articulation of railways through the rural delivery with the farms.

Express rates cut in two.

And now, gentlemen, I shall take the time briefly to epitomize the restrictions on the parcel post which should be removed in order that it may be free to discharge its function; I mean its function of moving the retail shipment from producer to consumer and lowering the prices of the necessities of life. Categorically expressed, I should recommend that the Postmaster General—

(a) Remove the restriction of the weight limit on shipments below 100 pounds.

(b) Remove all restrictions of the weight limit on shipments delivered to or collected from the railway termini by the consignor or consignee.

(c) Establish a simple system of zones, namely, 100 miles to each zone, the first (the local) zone to include a distance of 100 miles.

(d) Establish a rate about 20 per cent above the cost of service—i. e., a rate of 3, 4, or 5 cents for the first pound, plus a half cent for each additional pound in the first zone, and for subsequent zones an additional half cent per pound for each additional zone of 100 miles; no charge to exceed 12 cents per pound.

(e) Restore the old fourth-class rates and establish a supplemental parcel or express fourth class, admitting express matter generally, with proper exceptions, to which the zone rates shall apply.

(f) Reform the packing regulations so that articles carried by express may be carried in containers when necessary. Re-state the insurance and C. O. D. rates to correspond with the quantitative values of shipments.

(g) Take the steps necessary before the Interstate Commerce Commission to utilize the fast-freight service for less than 100-pound shipments, thus extending the benefits of this relatively low-priced service to farm and country store through rural delivery.

Gentlemen, does this seem a too difficult task? I do not think so. Obviously, with regard to the weight limit and these percentages of the rates which are so clearly excessive, the task is merely one of rationalizing the system by removing anomalies and abnormal restrictions from the service. But does it seem too large a program? Let us see what the program is:

(a) Reduce express rates by one-half, through a system of postal express.

(b) Lay the foundations for a new industry: The suburban gardener, who can utilize the system to market his products,

relieved of the largely prohibitive burden of purchasing and maintaining an uneconomic system of his own.

(c) Clear out a "stopped-up" conduit through which, when cleared, farm and other standardized products may flow direct from producer to consumer, giving the consumer the benefit of farm and factory prices, plus the mere cost of transportation, by merely ordering direct, and furnishing thus a competitive determinant of market-price levels for such products approximating farm and factory prices, plus transportation costs.

Mr. ESCH. Will the gentleman yield?

Mr. LEWIS of Maryland. Yes.

Mr. ESCH. I was not here when the gentleman began his interesting address, and if he has covered the ground he will say so. What effect will the recent order of the Interstate Commerce Commission reducing express rates have upon the parcel-post traffic in the first and second zones?

Mr. LEWIS of Maryland. It will have no effect, I may say to the gentleman from Wisconsin. These express rates ordered by the Interstate Commerce Commission are very much higher than the parcel-post rates on the lower weights and within the 150-mile limit. It is only when you come to the longest distances—say, from 1,200 miles and upward—and on 100-pound shipments that the proposed express rates would be as low as the postal rates which are feasible to the Postmaster General even now and under the present law as to railway pay. It seems to me impossible that even now the postal system will not take practically every shipment of 20 pounds and under that has not more than 150 miles to traverse. Let me say to the House that when the weight limit goes to 100 pounds it will have covered 90 per cent of the total express business. Less than 5 per cent of the shipments carried by the express companies exceed in weight 100 pounds, and although the express companies should be eliminated, as I think will follow the further extension of this service, the post office could take care of its whole traffic, restricting the weight limit to 100 pounds, where delivery or collection was involved, by giving the shipper the privilege of shipping, as the express company now does, in any weight, provided he deliver the shipment to the railway and collect it from the railway.

Now, I have repeatedly stated here this afternoon that the postal system is destined to discharge the whole express function. The express company has been in the past our de facto parcel post, discharging this part of the postal function from the beginning of its history. Now, what situation does it meet to-day? Tried before the bar of actual economic efficiency it means a situation like this: Out of its 25-cent charge for a 5-pound shipment it is doubtful whether it makes a cent. It certainly does not make more than 1 cent, for it only makes 2 cents on its average shipment of 51 cents—33 pounds—and yet at this very moment the postal system is making 2 cents profit out of its 5-cent charge for a 1-pound shipment. Now, the law of efficiency is as old as human history, and its sway accounts for the fact that we have any civilization at all. There are no exceptions. What is that law? It is that the inefficient must give way. For centuries the less efficient man has given way to the more efficient machine. If this law has no exception for the breadwinner and the right of God's creatures to earn their bread in the sweat of their faces, why should its operation be suspended in favor of the express companies that have been rendering only half service for generations and collecting double pay? [Applause.]

Gentlemen, let me ask again, Does this seem too large a program? Well, sirs, it is just the program which the Democratic Party at least pledged the administration to accomplish. Its platform assuredly promised a "parcel post or postal express" system—I use its exact words. The President emphasized this promise by himself declaring in his speech of acceptance, "We must add to our present post office a parcel post as complete as that of any other nation." And for what purpose? Assuredly to give the people relief from abnormal express charges; and in the words of the Democratic platform again, to secure "the development of a modern system of agriculture and a systematic effort to improve the conditions of trade in farm products so as to benefit both the consumers and producers."

And now, sirs, it appears that these great purposes can be advanced by merely removing some anomalous restrictions upon the normal action of our great postal system. What human institution may be called upon for such a purpose, if it be not this greatest and most efficient of cooperative societies—the one great business organization in which all are actual corporators and from which all receive just and equal service. Yes; it is a great program. But it was the President who said:

We have set ourselves a great program, and it will be a great party that carries it out. It must be a party without entangling alliances with any special interest whatever. It must have the spirit and the point of view of the new age.

Mr. Chairman, I ask unanimous consent that these charts may be inserted in my remarks and that I may have permission to revise and extend.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to print certain charts in his remarks and to revise and extend. Is there objection?

There was no objection.

#### APPENDIX.

PARCEL POST BILL PASSED BY HOUSE OF REPRESENTATIVES, SIXTY-SECOND CONGRESS.

SEC. 8. That the Postmaster General is hereby directed to establish in the United States, including its Territories and the District of Columbia, an experimental parcel post, which shall embrace fourth-class mail matter, farm and factory products, and books and matter commonly shipped by express companies, not exceeding 15 pounds in weight nor 72 inches in length and girth combined, nor in form likely to injure the person of any postal employee, and subject to such packing and shipping regulations as the Postmaster General may prescribe for the protection of the mail equipment and mail matter. The Postmaster General shall make provision by regulation for the indemnification of shippers, for shipment injured or lost, by insurance or otherwise, and, when desired, for the collection on delivery of the postage and price of the article shipped, fixing such charges as may be necessary to pay the cost of such additional services.

That the rates of postage on such parcels shall be as follows: For parcels shipped to any point within the county where mailed, or to a point in a contiguous county not more than 100 miles distant, hereby designated as the "local" zone, 5 cents for the first pound or fraction thereof and 1 cent for each additional pound or fraction thereof; for parcels shipped beyond points included in the foregoing local zone, 6 cents for the first pound or fraction thereof, and at the rate of 2 cents for each additional pound of actual weight for the first 150 miles or less, and an additional cent a pound for each additional 150 miles of distance from the point of mailing or consignment to the point of destination: *Provided*, That for no distance shall the charge exceed a rate of 12 cents a pound for the actual weight shipped, and that the rate for shipments of 4 ounces and less shall remain as hitherto established by law.

The point of consignment, except in the local zone, shall be taken as the county seat of the county in which the parcel is mailed, and the point of destination as the county seat of the county to which the parcel is consigned, and measurements of distance between such points shall be made by radial measurement on maps to be provided by the Postmaster General. The word "county," as used in this section, shall include a parish and similar political divisions.

That the classification of articles mailable, as well as the weight limit, the rates of postage, and other conditions of mailability under this section, shall be treated as experimental only, and if the Postmaster General shall find on experience that they or any of them are such as to prevent the shipment of articles desirable, or to permanently render the cost of the service greater than the receipts of the revenue therefrom, he is hereby directed to re-form from time to time such classification, weight limit, rates, or conditions, or either, in order to promote the service to the public or to insure the receipt of revenue from such service adequate to pay the cost thereof.

That in order to the more economical administration of this section, the President is hereby authorized, subject to the consent of the Senate, to appoint three persons expert in transportation matters at salaries of \$5,000 per annum, respectively, to act as board of experts under the direction of the Postmaster General, in the execution of this section, and for the efficient conduct of the service hereby established.

That the Postmaster General shall have power from time to time to cause to be weighed the matter shipped by the express companies by post road common carriers, by rail or water, and ascertain the rate of compensation per pound or ton-mile payable therefor by such express company to such post road common carrier, by rail or water, on shipments, and thereupon it shall be the duty of such post road common carrier, at the request in writing of the Postmaster General, to transport and carry parcels mailable under this section, for the Post Office Department, at the rate of compensation per ton-mile thus determined: *Provided*, That if there be a dispute as to the substantial accuracy of such weighing and computations by the Postmaster General, such post road common carrier shall be entitled to appeal from the request or order of the Postmaster General to the Interstate Commerce Commission, which shall thereupon have power to determine the facts in controversy.

That the Postmaster General shall have power by regulation to determine from time to time the points at which collection and delivery shall be established for such parcels, and the weight limit thereof, to correspond with the facilities of the Postal Department for rendering such service, and he shall provide such special equipment, maps, stamps indicating weight of shipment and distance traversed, directories, and printed instructions as may be necessary for the administration of this section; and to supplement existing appropriations, including the hiring of teams and drivers and other vehicles, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$750,000.

That the establishment of this experimental parcel post shall go into effect two months after the passage of this act, and that all acts or parts of acts in conflict with this section are hereby repealed.

That for the purpose of a complete and full inquiry and investigation into the feasibility and propriety of the establishment of a general parcel post, or system of postal express, a joint committee of six persons (Members of Congress), three of whom shall be appointed by the Speaker of the House of Representatives and three by the President of the Senate, is constituted, with full power to appoint clerks, stenographers, and experts to assist them in this work. They shall review the testimony already taken on the subject of parcel post and postal express by Senate and House committees and take such other testimony as they deem desirable. That the Postmaster General and the Interstate Commerce Commission shall furnish such data and otherwise render such assistance to the said committee as may be desired or available. For the purpose of defraying the expenses of this committee the sum of \$25,000 is hereby appropriated out of the moneys in the Treasury not otherwise appropriated. The committee shall report fully to Congress on the first Monday in December, 1912.

Information requested by committee appointed under Postmaster General's Order No. 6941, with reference to fourth-class mail, based on a count and weighing Apr. 16, 17, and 18, 1913.

Weight of parcel.	Number of parcels—										Total weight of parcels.		Total amount of postage.
	Local delivery.	First zone, 50 miles. <sup>1</sup>	Second zone, 150 miles. <sup>2</sup>	Third zone, 300 miles. <sup>3</sup>	Fourth zone, 600 miles. <sup>4</sup>	Fifth zone, 1,000 miles. <sup>5</sup>	Sixth zone, 1,400 miles. <sup>6</sup>	Seventh zone, 1,800 miles. <sup>7</sup>	Eighth zone, over 1,800 miles. <sup>8</sup>	Total.	Pounds.	Ounces.	
1 ounce.....	42,877	53,919	122,410	170,063	230,241	153,141	52,642	51,023	41,536	917,852	54,785	8	\$9,231.27
2 ounces.....	17,626	30,257	59,355	64,296	65,501	46,627	17,338	10,441	8,322	319,813	39,388	14	6,304.36
3 ounces.....	9,197	18,966	28,740	31,260	28,944	22,164	7,907	4,737	4,682	156,597	29,084	2	4,751.26
4 ounces.....	10,244	15,817	27,062	29,176	35,073	20,251	10,014	6,216	5,221	168,074	41,684	1	6,770.86
5 ounces.....	5,092	8,072	10,825	9,783	9,460	7,090	3,766	1,412	1,379	57,479	17,987	14	4,183.89
6 ounces.....	3,498	6,349	13,361	10,997	9,973	7,840	3,393	1,684	1,802	58,837	21,871	2	4,346.80
7 ounces.....	1,978	5,568	8,479	8,249	6,921	5,052	2,043	1,247	1,178	40,725	17,739	7	2,926.08
8 ounces.....	2,487	6,691	9,744	10,613	12,655	8,671	2,743	1,579	1,618	56,801	28,115	7	4,197.05
9 ounces.....	1,512	3,416	6,042	5,514	5,157	5,182	2,053	1,402	934	31,212	17,529	10	2,379.29
10 ounces.....	1,898	4,391	7,318	6,546	6,426	4,607	2,026	1,013	1,003	35,228	21,609	3	2,606.50
11 ounces.....	1,172	2,715	4,729	4,556	4,556	2,600	1,784	898	860	24,292	17,175	3	1,903.66
12 ounces.....	1,625	4,227	7,691	7,044	6,109	4,501	2,120	1,084	1,085	35,486	26,145	11	2,631.20
13 ounces.....	959	2,462	4,214	3,760	3,564	2,964	1,539	747	729	20,638	16,812	5	1,575.43
14 ounces.....	1,243	3,178	5,439	4,611	4,306	3,021	1,622	820	806	25,046	21,819	11	1,848.88
15 ounces.....	898	2,259	3,499	3,471	3,299	2,385	1,958	1,639	3,810	23,218	21,866	15	1,973.78
1 pound.....	4,027	9,814	16,205	15,680	14,059	12,387	7,197	3,255	4,723	87,347	90,359	13	6,795.70
2 pounds.....	9,730	27,039	54,269	47,902	46,241	36,356	17,778	7,855	8,464	255,634	503,568	9	33,426.05
3 pounds.....	4,725	15,322	20,861	28,450	30,463	24,125	10,389	5,336	5,138	153,809	460,087	8	29,635.93
4 pounds.....	2,463	8,484	16,577	16,088	20,185	13,305	7,003	3,344	3,043	90,492	358,247	5	22,581.42
5 pounds.....	1,539	5,110	9,998	10,176	13,075	10,238	3,830	1,743	1,790	57,499	285,447	3	17,690.65
6 pounds.....	1,084	3,203	6,408	6,051	8,165	5,994	2,472	1,287	967	35,631	212,511	10	13,604.00
7 pounds.....	726	1,935	3,625	3,777	3,711	3,306	1,157	795	718	19,750	141,316	9	8,289.54
8 pounds.....	528	1,266	2,319	2,529	2,792	2,003	743	490	656	13,326	106,170	15	6,380.50
9 pounds.....	277	762	1,561	1,612	1,889	1,759	675	356	385	9,276	83,194	12	5,121.19
10 pounds.....	200	621	1,150	1,187	1,399	1,047	443	298	295	6,510	64,947	5	4,004.57
11 pounds.....	203	369	722	925	1,043	959	448	219	302	5,280	57,896	6	3,773.41
Total.....	127,808	242,112	461,543	504,708	575,207	416,885	165,133	110,920	101,536	2,705,852	2,757,363	.....	208,285.03

<sup>1</sup> Average haul, 25 miles air line.

<sup>2</sup> Average haul, 225 miles air line.

<sup>3</sup> Average haul, 800 miles air line.

<sup>4</sup> Average haul, 1,600 miles air line.

<sup>5</sup> Average haul, 100 miles air line.

<sup>6</sup> Average haul, 450 miles air line.

<sup>7</sup> Average haul, 1,200 miles air line.

<sup>8</sup> Average haul, 2,500 miles air line.

Average weight per parcel, 16.3 ounces; 1.02 pounds.

Average postage per parcel \$0.0771.

Number of insured parcels included in these statistics, 24,706.

Statement showing shipments and weights per zone and percentages of the same.

[Based on preceding table.]

Zone.	Number of packages.	Per cent packages to each zone.	Weight of packages.	Per cent weight to each zone.	Average miles of travel.	Pound-miles.	Ton-miles.	Per cent of ton-miles.
Local.....	21,475	0.0328	73,818	0.036	.....	.....	.....	.....
First.....	64,011	.0974	218,548	.103	25	5,463,700	2,732	0.0047
Second.....	126,490	.1924	430,285	.190	100	43,028,500	21,514	.0372
Third.....	118,667	.1806	415,616	.185	225	93,513,600	46,757	.0808
Fourth.....	128,963	.1962	469,733	.210	450	211,379,850	105,690	.1820
Fifth.....	109,092	.1660	361,477	.132	800	289,171,600	144,588	.2493
Sixth.....	44,938	.0684	158,103	.075	1,200	189,831,600	94,916	.1635
Seventh.....	21,723	.0330	79,589	.033	1,600	127,363,400	63,632	.1098
Eighth.....	21,848	.0332	80,267	.036	2,500	200,667,500	100,334	.1729
Total.....	657,207	1.0000	2,287,526	1.000	.....	1,160,419,750	590,161	1.000

The old fourth-class piece averaged 5 ounces. The new or parcel post business is probably embraced in the figures above for pieces of 2 pounds and up. On this basis the new parcel business would be as follows, for the period and places given:

Number of pieces 2 pounds and over.....	647,207
Number of pieces less than 2 pounds.....	2,058,645
Weight, 2 pounds and over (average weight 3.52 pounds).....	pounds.. 2,275,388
Weight less than 2 pounds (average weight 3.74 ounces).....	pounds.. 481,975
Receipts, 2 pounds and over (average per parcel \$0.222).....	\$143,847.56
Receipts, less than 2 pounds (average per parcel \$0.0313).....	\$64,437.52
Average journey, air-line (excluding local traffic).....	miles.. 507

Reports of parcel-post business from Apr. 14 to 19, 1913, inclusive, at city delivery post offices, by States.

State.	Total number of packages delivered.	Proportion delivered without vehicles.	Delivered by motor vehicles.				Delivered by horse-drawn vehicles.				Delivered by other conveyance.	Delivered by all other means.
			Number of packages.	Hire of vehicles.	Cost for carriers.	Average cost per package.	Number of packages.	Hire of vehicles.	Cost for carriers.	Average cost per package.		
Alabama.....	37,221	Per cent. 51.01	117	\$1.50	\$2.10	\$0.03	15,769	\$106.77	\$133.81	\$0.015	2,346	18,989
Arkansas.....	14,773	67.67	.....	.....	.....	.....	4,735	39.10	55.78	.02	40	9,993
Arizona.....	3,137	39.56	.....	.....	.....	.....	1,467	23.00	31.20	.086	429	1,241
California.....	114,262	72.58	9,117	467.45	256.60	.079	17,270	243.55	361.80	.035	4,933	82,942
Colorado.....	47,893	77.05	217	3.00	.90	.012	7,186	94.16	157.53	.035	3,485	36,905
Connecticut.....	64,615	72.58	3,213	64.54	30.40	.035	13,534	210.23	233.88	.032	964	46,994
Delaware.....	5,032	77.92	.....	.....	.....	.....	1,111	12.85	17.70	.027	.....	3,921
District of Columbia.....	26,690	78.77	5,664	216.13	70.24	.05	.....	.....	.....	.....	.....	21,026
Florida.....	16,932	72.28	.....	.....	.....	.....	1,149	11.39	22.56	.028	3,543	12,240
Georgia.....	42,079	76.22	1,100	75.00	21.36	.087	7,084	90.91	125.24	.028	1,220	32,075
Hawaii.....	1,559	49.96	.....	.....	.....	.....	.....	.....	.....	.....	272	779
Idaho.....	11,173	79.97	.....	.....	.....	.....	1,556	15.52	35.28	.032	681	8,936
Illinois.....	300,684	83.20	2,112	60.83	29.60	.042	44,789	451.76	605.70	.028	3,593	250,190
Indiana.....	102,226	80.42	5,904	222.79	121.48	.057	11,356	118.47	174.10	.025	2,660	82,216
Iowa.....	79,018	76.81	5,148	87.53	71.88	.03	12,101	101.80	210.84	.025	983	60,696
Kansas.....	51,239	79.87	1,828	32.75	42.20	.041	8,310	50.77	115.34	.019	184	40,917

Reports of parcel-post business from Apr. 14 to 19, 1913, inclusive, at city delivery post offices, by States—Continued.

State.	Total number of packages delivered.	Proportion delivered without vehicles.	Delivered by motor vehicles.				Delivered by horse-drawn vehicles.				Delivered by other conveyance.	Delivered by all other means.
			Number of packages.	Hire of vehicles.	Cost for carriers.	Average cost per package.	Number of packages.	Hire of vehicles.	Cost for carriers.	Average cost per package.		
		<i>Per cent.</i>										
Kentucky.....	39,058	80.96	95	\$4.00	\$1.50	\$0.057	7,323	\$119.98	\$128.24	\$0.033	18	31,622
Louisiana.....	21,478	74.45	4,133	138.80	70.20	.05	814	9.70	15.90	.031	540	15,991
Maine.....	30,879	62.05	669	18.00	13.80	.047	10,573	105.75	131.10	.022	475	19,162
Maryland.....	50,149	74.83					11,553	220.05	174.02	.034	1,065	37,531
Massachusetts.....	254,983	68.33	4,724	153.28	94.31	.052	74,085	1,274.10	1,591.67	.038	1,936	174,238
Michigan.....	147,545	70.61	22,063	786.47	324.40	.05	18,319	204.36	283.66	.026	2,970	104,193
Minnesota.....	71,686	77.31	4,297	132.95	55.95	.043	10,456	96.62	173.10	.025	1,510	55,423
Mississippi.....	15,053	70.07					4,505	54.38	73.50	.028		10,548
Missouri.....	125,503	81.29	5,383	360.29	87.65	.083	17,654	198.56	331.11	.03	435	102,031
Montana.....	13,946	57.94	1,392	14.58	28.12	.03	4,018	40.55	56.20	.024	455	8,081
Nebraska.....	29,436	87.51	21	1.00	.30	.061	2,422	43.23	68.82	.046	1,233	25,760
Nevada.....	1,840	9.21					1,234	10.25	21.30	.025	437	169
New Hampshire.....	23,474	83.38					2,990	51.95	44.88	.032	910	19,574
New Jersey.....	106,419	73.92	2,126	105.81	34.13	.065	21,090	300.85	348.32	.03	4,529	78,774
New Mexico.....	3,867	52.08					558	4.50	6.32	.017	1,295	2,014
New York.....	608,344	82.49	27,102	1,058.75	397.14	.083	75,556	1,169.64	1,268.05	.032	3,805	501,881
North Carolina.....	27,655	66.70	1,012	15.56	14.40	.029	5,429	58.70	78.03	.025	2,706	18,448
North Dakota.....	8,869	70.44					2,621	35.13	54.80	.026		6,248
Ohio.....	198,262	77.51	18,388	828.11	408.74	.066	22,222	381.06	377.92	.034	3,976	153,676
Oklahoma.....	28,727	79.52	1,377	39.20	16.35	.04	4,200	46.33	61.50	.025	304	22,846
Oregon.....	26,331	74.37	1,619	57.69	20.25	.048	3,052	21.51	43.96	.021	2,077	19,583
Pennsylvania.....	314,578	80.00	26,770	1,069.59	351.40	.053	31,148	465.27	551.16	.032	4,989	251,671
Porto Rico.....	1,859	86.22					245	3.00	1.80	.02	11	1,603
Rhode Island.....	26,885	62.82	631	1.60	22.80	.038	7,007	67.67	152.81	.031	2,357	16,890
South Carolina.....	22,436	78.74	694	28.38	15.00	.062	3,060	15.75	39.40	.017	984	17,668
South Dakota.....	13,155	79.55					2,545	26.63	67.60	.033	145	10,465
Tennessee.....	42,942	78.80	5,172	124.00	40.40	.031	3,893	44.26	44.90	.022	38	33,839
Texas.....	74,453	64.40	3,647	71.58	85.30	.043	20,833	196.92	458.37	.031	2,025	47,945
Utah.....	11,438	75.84					2,058	20.30	54.80	.036	705	8,678
Vermont.....	14,113	63.96					4,806	39.47	45.49	.017	280	9,027
Virginia.....	37,674	81.97	708	5.10	19.50	.034	5,959	68.10	125.60	.032	123	30,884
Washington.....	43,424	87.70	583	5.05		.008	3,754	48.80	59.20	.028	1,001	38,086
West Virginia.....	22,502	74.85	898	2.00		.002	3,403	13.75	10.20	.006	1,358	16,843
Wisconsin.....	99,187	83.13	3,946	59.86	52.55	.028	11,678	164.50	229.98	.034	1,106	82,457
Wyoming.....	2,397	55.98	978	20.25	12.00	.032					77	1,342
Total.....	3,479,080	77.17	173,038	6,333.42	2,832.95	.052	549,708	7,197.85	9,424.19	.03	71,268	2,685,063

Compiled from statistical exhibits of the Interstate Commerce Commission filed in the recent express investigation.

[Based on analysis of 1 day's business.]

Parcels weighing not more than—	Ratio to gross revenue earned. <sup>1</sup>	Ratio to total number of pieces carried. <sup>2</sup>	Ratio to total weight carried. <sup>3</sup>
1 pound.....	0.013	0.028	0.0007
2 pounds.....	.034	.049	.0027
3 pounds.....	.028	.041	.0034
4 pounds.....	.027	.034	.0038
5 pounds.....	.022	.027	.0038
6 pounds.....	.023	.024	.0041
7 pounds.....	.018	.018	.0037
8 pounds.....	.020	.019	.0043
9 pounds.....	.011	.009	.0025
10 pounds.....	.020	.019	.0056
11 pounds.....	.009	.007	.0023
1 to 11 pounds, inclusive.....	.2275	.275	.0369
12 pounds.....	.014	.013	.0044
13 pounds.....	.008	.007	.0025
14 pounds.....	.011	.009	.0038
15 pounds.....	.014	.012	.0060
16 pounds.....	.009	.008	.0035
17 pounds.....	.007	.005	.0025
18 pounds.....	.010	.008	.0043
19 pounds.....	.004	.003	.0017
1 to 19 pounds, inclusive.....	.3045	.343	.0658

<sup>1</sup> This shows separately the ratio to the total gross revenue of the revenue derived from packages weighing 1 pound, 2 pounds, etc., up to 19 pounds, inclusive; also from all packages weighing 1 to 11 pounds, inclusive; also from all packages 1 to 19 pounds, inclusive.

<sup>2</sup> This shows separately the ratio to the total number of pieces of express matter carried of those parcels weighing 1 pound, 2 pounds, etc., up to and including 19 pounds; also all packages from 1 to 11 pounds, inclusive, and all packages from 1 to 19 pounds, inclusive.

<sup>3</sup> This shows separately the ratio to the total weight of all express matter carried of those parcels weighing 1 pound, 2 pounds, etc., up to and including 19 pounds; also of all packages weighing from 1 to 11 pounds, inclusive, and of all parcels weighing 1 to 19 pounds, inclusive.

#### PARCEL-POST DELIVERY COSTS.

A computation of their expenses in this service shows that it costs the express company an average of about 5½ cents per package of 32.80 pounds which, allowing for the proportion not collected or delivered, I place for its pick-up and delivery service at 7 cents. Other experience on the subject is that of the New York merchants given at the 1911 hearing of the House Postal Committee (pp. 104-105 and 301), to the

effect that it costs them an average of from 3½ to 4 cents per package, size and weight not limited, to deliver their sales within an area of 20 to 30 miles around the city.

The familiar ice and milk agencies probably show the lowest cost at which this service can be performed, with the value of article delivered included in a 4 or 5 cent charge, and without return traffic.

To this may be added the experience of the Merchants Transfer Co. of Washington. (Senate parcel-post hearings, 62d Cong.) This company proffered to make deliveries of postal parcels up to 11 pounds at 5 cents each, and within a zone of 15 miles at 10 cents. Its president, Mr. Newbold, stated that on city private delivery they aimed to secure 6 cents per parcel up to 25 pounds, with three daily deliveries, including C. O. D. service; and that an expert delivery man and his assistant could handle 375 parcels per day, of such shipments, if the loads should run evenly; but that 225 deliveries per day was a high normal; adding that the collect service from merchants constituted but 10 per cent of the total cost.

There is also the very definite experience of the Connecticut company for the month of January, 1913. For the 7 cities of New Haven, Bridgeport, Meriden, Waterbury, New Britain, Stamford, and Hartford it collected and delivered 20,506 packages, weighing 1,364,662 pounds, the average shipment weighing 67 (66.98) pounds. Its cost of service per package for collection and delivery was less than 12 (11.6) cents per shipment, with no weight or size limit on the traffic. To these data may be added the cost of collection and delivery of class freight by the railways serving Baltimore and, until recently, Washington. Their experience is that it costs from platform to store sidewalk, and vice versa, \$1 per ton; that the average shipment collected and delivered covers 500 pounds to the bill of lading embracing 5 pieces of 100 pounds each, costing, thus, each 5 cents (per 100-pound piece) for collect and a like amount for delivery, or 10 cents per 100-pound piece for the combined services. It is to be noted that this involves 5 packages, aggregating 500 pounds, delivered at each stop, a numerical condition as likely to occur in postal collections, if not in the same degree, for its deliveries.

In Germany delivery charges for packages per post on schedule trips are 2½ cents for urban up to 11 pounds and 3½ cents up to 110 pounds, while rural delivery is 2½ cents for 5½ pounds and 5 cents up to 110 pounds, with 22 cents for special rural delivery and 10 cents for special urban delivery. In France the delivery charge is 5 cents for packages up to 22 pounds. And now we come to the postal experience itself. It is such as to supply a guide up to 11 pounds, and from 5 ounces to 11 pounds; this experience being initiatory, it probably indicates a line of cost that will be substantially reduced with the enlargement of the traffic and perfection of the service.

Before giving it I wish to say there are two standards to be kept in mind in considering the costs of postal handling with collection and delivery. The first I denominate the "economic" cost, which charges to each service its proportion of the total cost of postal service, including those expenses which would have been incurred even if the parcel service were not added. The second I denominate the "out-of-pocket" standard, which includes only those elements of cost made necessary by the new or added service. It is important to keep these distinctions in mind, not in order that rates should be made below the economic standard, but that we may feel as safe as we should in hewing as close to the economic line as we should in formulating the rates necessary to promote the public service. Unless we can have this feeling there will be a tendency to overstate the rates, and thus inevitably kill the potential traffic, a result nearly as much to be deplored in a public-service agency as a deficit in operating accounts.

The economic costs of handling, including collection and delivery (but excluding railway pay) were found by the postal authorities to be as follows:

Class.	Costs.	Weight.
	<i>Cents.</i>	<i>Ounces.</i>
First.....	0.0199	0.355
Third.....	.01237	1.870
Departmental, free.....	.01462	2.980
Second.....	.01185	3.333
Fourth.....	.01392	5.063
Fourth, parcel.....	.02502	16.004

Thus we have, as the full economic cost, excluding railway transportation, a progression, for increasing weight and size, from 12 mills for the letter weighing seven-twentieths of an ounce, to 16 mills for the parcel weighing a little more than 5 ounces, and 25 mills for 16 ounces, the average weight of the fourth class in the 50 largest cities since the introduction of the parcel post. This 16-ounce datum does not embrace the inexpensive postal experience of such post offices as do not have any collect or delivery service, so that 25 mills is likely a too high economic cost figure for present fourth-class matter.

The out-of-pocket expense of the Chicago post office with parcel post, for six weeks commencing with March 3, was as follows:

Number of parcels delivered.....	1,076,914
Average cost per parcel for delivering.....	\$0.0034
Cost per auxiliary carrier (14,183) per piece.....	\$0.0430
Cost by wagon and driver, at \$1,054 per annum (106,737 parcels), per parcel.....	\$0.0147
Cost of same, with auxiliary carrier added.....	\$0.0123
Cost of same (4½-pound parcel) with driver and auxiliary together.....	\$0.0270
Number of parcels delivered by wagon per day.....	232

Analyzed, the Chicago experience means that one-third of the 1,076,914 parcels represents the old business, leaving 717,943 parcels of the new, which divided into the new expense would mean a delivery cost of 4 mills per package instead of 3 mills. We have 14,183 delivered by auxiliary carriers alone, and 106,737 by wagon, driver, and auxiliary in combination; and charging to these 120,920 parcels the total delivery expenses of \$3,230.74 we should have a cost per 4½-pound parcel of 27 mills, treating the other 600,000 parcels as small enough to be delivered without added cost by the usual carrier service. Again, the special deliveries, 120,920 parcels, weighed 4½ pounds each; add 8 mills for collection and general postal attention, we should have 3½ cents as the economic cost of a 4½-pound parcel, barring railway pay. In one of the largest delivery districts, saying nothing of the large population in towns and country with no collect and delivery, where such expense would not obtain. The Chicago experience shows, too, that only parcels exceeding 2 pounds require the vehicle form of delivery, the lower weights being absorbed by the regular carrier service; so that the 3½-cent parcel cost experience applies only to shipments of 3 pounds and upward.

It should be kept in mind that this service is entirely new and is in its most expensive stage. One suggestion seems very strong. It is that the auxiliary with an auto for long-haul deliveries could probably reduce the expense by a quarter or a third for light traffic. Meanwhile, it is to be noted that a performance of 232 deliveries per day, as in Chicago, compares well with the 225 deliveries of which President Newbold, of the Washington Merchants' Transfer Co., speaks. With the restrictions off, and thus a normal flow for the postal traffic, the maximum number of 375 stated by Mr. Newbold might be reached with two persons to the vehicle.

Thus postal experience gives the economic cost of the fourth-class average weight of 1 pound as 25 mills where delivery takes place. From this point, 1 pound to 100 pounds (for urban service), we have the experience of the express companies, which shows a cost of about 7 cents for delivering and collecting the average package of 33 pounds, while the experience of the railways in the cities named shows a cost of 25 cents for shipments averaging in weight 500 pounds, for the act of collection, and the like amount for the act of delivery, five separate packages being embraced in each such shipment. From all these we have a line of progressive expense for increasing weights, beginning with 12 mills for the letter, 16 mills for the 5-ounce parcel, 25 mills for 1 pound, 7 cents for 33 pounds, 11.6 cents for express collect and delivery of 67 pounds, and 100 mills, or 10 cents, for the 100-pound weight, as representing the economic cost experiences relevant to the retail-shipment delivery function, from its smallest unit to 100 pounds, and a ton.

Table of analyses of expenses and performances of cities in delivery of parcels for six days in April, 1913.

City.	Added cost per piece total fourth class.	Per cent vehicle deliveries to total fourth-class deliveries.	Delivery cost per piece by auto.	Delivery cost per piece by wagon.	Number of deliveries per hour by auto.	Number of deliveries per hour by wagon.	Population per piece of mail delivered.
	<i>Cents.</i>		<i>Cents.</i>	<i>Cents.</i>			
1. Seattle.....	0.0027	11	0.0230	.....	23.0	633	
2. Chicago.....	.0034	13	.0257	.....	22.2	1,114	
3. Pittsburgh.....	.0036	8	.0430	.....	16.2	1,900	
4. Nashville.....	.0038	21	0.0178	.....	45.0	.....	
5. Worcester.....	.0047	14	.....	.0345	.....	13.3	
6. Des Moines.....	.0054	27	.0210	.....	25.0	434	
7. New York.....	.0054	14	.0576	.0196	15.7	36.3	
8. Denver.....	.0055	12	.....	.0379	.....	11.7	
9. Spokane.....	.0055	16	.....	.0339	.....	14.6	
10. Salt Lake City.....	.0059	15	.....	.0322	.....	9.8	
11. Toledo.....	.0059	29	.0205	.0263	30.4	22.0	
12. Portland.....	.0061	12	.0551	.0185	26.8	22.6	
13. Syracuse.....	.0068	12	.0638	.0500	17.7	11.0	
14. St. Paul.....	.0070	25	.0283	.0271	30.4	19.0	
15. Milwaukee.....	.0071	19	.....	.0368	.....	14.1	
16. Louisville.....	.0071	18	.....	.0405	.....	18.0	

Table of analyses of expenses and performances, etc.—Continued.

City.	Added cost per piece total fourth class.	Per cent vehicle deliveries to total fourth-class deliveries.	Delivery cost per piece by auto.	Delivery cost per piece by wagon.	Number of deliveries per hour by auto.	Number of deliveries per hour by wagon.	Population per piece of mail delivered.
	<i>Cents.</i>		<i>Cents.</i>	<i>Cents.</i>			
17. New Haven.....	0.0072	18	.....	0.0400	.....	16.3	711
18. Richmond.....	.0079	25	.....	.0316	.....	13.3	600
19. Rochester.....	.0081	20	0.0400	.0392	24.2	13.0	464
20. Brooklyn.....	.0083	16	.0537	.0470	24.1	15.2	1,505
21. Hartford.....	.0084	30	.....	.0277	.....	18.8	390
22. Baltimore.....	.0086	24	.....	.0354	.....	19.8	696
23. Newark.....	.0089	20	.0448	.....	.....	.....	1,174
24. Minneapolis.....	.0090	28	.0573	.0182	19.4	23.6	529
25. Providence.....	.0100	34	.....	.0300	.....	13.6	430
26. Bridgeport.....	.0100	19	.....	.0521	.....	10.5	1,226
27. Washington.....	.0107	21	.0506	.....	24.2	.....	701
28. Los Angeles.....	.0121	19	.0748	.0500	9.6	9.0	818
29. Philadelphia.....	.0124	22	.0563	.....	23.9	.....	812
30. Memphis.....	.0125	34	.0419	.0288	34.8	29.3	345
31. Dallas.....	.0125	34	.0440	.0223	9.9	17.8	310
32. New Orleans.....	.0135	27	.0503	.....	21.7	.....	1,300
33. St. Louis.....	.0138	26	.0834	.0346	17.6	13.4	586
34. Columbus.....	.0149	27	.0547	.....	12.2	.....	726
35. Oakland.....	.0154	27	.0754	.0333	12.0	.....	900
36. Atlanta.....	.0154	33	.0957	.0293	17.1	12.0	490
37. Springfield.....	.0154	25	.0661	.0312	11.3	18.5	517
38. Boston.....	.0177	38	.0488	.0378	19.1	13.6	152
39. San Francisco.....	.0178	23	.1481	.0424	6.6	12.8	800
40. Indianapolis.....	.0185	32	.0611	.....	13.3	.....	.....
41. Cincinnati.....	.0229	38	.1441	.0283	16.4	26.2	376
42. Scranton.....	.0245	33	.....	.0754	.....	7.3	915

Average of private experience, from data of Massachusetts Institute of Technology. number of auto deliveries per hour, 22.4; number wagon deliveries per hour, 16.

Table of actual freight rates per 100 pounds, in first and sixth classes, on nine different routes, for distances to 1,156 miles.

Routes.		Classes.		Railway system.
Shipped from—	Shipped to—	Distance in miles.	First. Sixth.	
			<i>Cents.</i> <i>Cents.</i>	
Boston, Mass.....	Taunton, Mass.....	36	16 7	(o) N.Y., N.H. & H.
New York, N. Y.....	Oscawanna, N. Y.....	36	17 6	(o) N. Y. C. & H.
Pittsburgh, Pa.....	New Galilee, Pa.....	36	9.5 6	(o) Pa. Co.
Chicago, Ill.....	Elgin, Ill.....	36	21.1 8	(i) C. M. & St. P.
Do.....	Coleman, Ill.....	36	21.1 8	(i) Ill. C.
St. Paul, Minn.....	Eggleson, Minn.....	36	17.9 7	(w) C. M. & St. P.
Louisville, Ky.....	Elizabethtown, Ky.....	36	32 16	(s) L. & N. A.
Knoxville, Tenn.....	Oliver Springs, Tenn.....	36	29 14	(s).
St. Louis, Mo.....	Bunker Hill, Ill.....	36	21.12 9	(i) Big Four.
Average charge, 63 miles.....			20.5 9	
Boston, Mass.....	Middletown, R. I.....	64	20 7	(o) N.Y., N.H. & H.
New York, N. Y.....	New Hamburg, N. Y.....	64	20 7	(o) N. Y. C. & H.
Pittsburgh, Pa.....	Leetonia, Ohio.....	64	15.5 6.5	(o) Pa. Co.
Chicago, Ill.....	Kingston, Ill.....	64	24.8 9.5	(i) C. M. & St. P.
Do.....	Kankakee, Ill.....	64	24.1 9	(i) Ill. C.
St. Paul, Minn.....	Wabasha, Minn.....	64	24.7 10	(w) C. M. & St. P.
Louisville, Ky.....	Frankfort, Ky.....	64	20 11	(s).
Knoxville, Tenn.....	Jellico, Tenn.....	64	40 15	(i) Ill. C.
St. Louis, Mo.....	Litchfield, Ill.....	64	26.6 10	(i) Big 4.
Average charge, 64 miles.....			24.0 9.4	
Boston, Mass.....	North Eastham, Mass.....	100	22 11	(o) N.Y., N.H. & H.
New York, N. Y.....	Tivoli, N. Y.....	100	23 8	(o) N. Y. C. & H.
Pittsburgh, Pa.....	Canton, Ohio.....	100	24.5 8	(o) Pa. Co.
Chicago, Ill.....	Forreston, Ill.....	100	30.8 12	(i) C. M. & St. P.
Do.....	Paxton, Ill.....	100	31.6 12	(i) Ill. C.
St. Paul, Minn.....	Minnesota City, Minn.....	100	30.6 12	(w) C. M. & St. P.
Louisville, Ky.....	Lexington, Ky.....	100	28 10	(s).
Knoxville, Tenn.....	Johnson City, Tenn.....	100	50 22	(s).
St. Louis, Mo.....	Pana, Ill.....	100	30.9 11	(i) Big 4.
Average charge, 100 miles.....			30.2 12	
Boston, Mass.....	Waterbury, Conn.....	144	29 14	(o) N.Y., N.H. & H.
New York, N. Y.....	Albany, N. Y.....	114	26 9	(o) N. Y. C. & H.
Pittsburgh, Pa.....	Custaloga, Ohio.....	144	26 8.5	(o) Pa. Co.
Chicago, Ill.....	Savanna, Ill.....	144	35.3 13	(i) C. M. & St. P.
Do.....	Tuscola, Ill.....	144	36.1 14	(i) Ill. C.
St. Paul, Minn.....	Montevideo, Minn.....	144	37.5 15	(w) C. M. & St. P.
Louisville, Ky.....	Portland, Tenn.....	144	55 30	(s) L. & N.
Knoxville, Tenn.....	Mountain City, Tenn.....	144	69 31	(s).
St. Louis, Mo.....	Charleston, Ill.....	144	35 13	(i) Big 4.
Average charge, 144 miles.....			38.8 16.3	

Table of actual freight rates per 100 pounds, etc.—Continued.

Routings.		Dis- tance in miles.	Classes.		Railway system.
Shipped from—	Shipped to—		First.	Sixth.	
<i>Cents. Cents.</i>					
Boston, Mass.	New York, N. Y.	196	32	15	(o) N.Y., N.H. & H.
New York, N. Y.	Fonda, N. Y.	196	30	16	(o) N. Y. C. & H.
Pittsburgh, Pa.	Crestline, Ohio.	196	32	9.5	(o) Pa. Co.
Chicago, Ill.	Kilbourn, Wis.	196	50	16	(w) C., M. & St. P.
Do.	Effingham, Ill.	196	39.1	15.5	(i) Ill. C.
St. Paul, Minn.	Milbank, S. Dak.	196	57	23	(w) C., M. & St. P.
Louisville, Ky.	Nashville, Tenn.	196	38	15	(s).
Knoxville, Tenn.	Jacksonville, Ala.	196	78	34	(s).
St. Louis, Mo.	Terre Haute, Ind.	196	32.5	9	(o) Big 4.
Average charge, 196 miles.			43.1	16.3	
Boston, Mass.	Campbell Hall, N. Y.	256	35	15	(o) N.Y., N.H. & H.
New York, N. Y.	Rome, N. Y.	256	34	12	(o) N. Y. C. & H.
Pittsburgh, Pa.	Lima, Ohio.	256	38.5	11	(o) Pa. Co.
Chicago, Ill.	Sparta, Wis.	256	50	17	(w) C., M. & St. P.
Do.	Centralia, Ill.	256	42.3	16	(i) Ill. C.
St. Paul, Minn.	Bristol, S. Dak.	256	70	28	(w) C., M. & St. P.
Louisville, Ky.	Paris, Tenn.	256	69	25	(s).
Knoxville, Tenn.	Louisville, Ky.	256	76	30	(s).
St. Louis, Mo.	Indianapolis, Ind.	256	38	10.5	(o) Big 4.
Average charge, 256 miles.			50	18.2	
Boston, Mass.	Roscoe, N. Y.	324	38	15	(o) N.Y., N.H. & H.
New York, N. Y.	Lyons, N. Y.	324	35	13	(o) N. Y. C. & H.
Pittsburgh, Pa.	Fort Wayne, Ind.	324	41	12	(o) Pa. Co.
Chicago, Ill.	Minneapolis City, Minn.	324	50	18	(w) C., M. & St. P.
Do.	Cobden, Ill.	324	45.9	18	(i) Ill. C.
St. Paul, Minn.	Ipswich, Minn.	324	83	35	(w) C., M. & St. P.
Louisville, Ky.	Cleveland, Tenn.	324	96	41	(s).
Knoxville, Tenn.	Augusta, Ga.	324	73	31	(s).
St. Louis, Mo.	Muncie, Ind.	324	41	12	(o) Big 4.
Average charge, 324 miles.			56	21.7	
Boston, Mass.	Norwich, Conn.	400	38	15	(o) N.Y., N.H. & H.
New York, N. Y.	Akron, N. Y.	400	39	13	(o) N. Y. C. & H.
Pittsburgh, Pa.	Hamlet, Ind.	400	44.5	14.5	(o) Pa. Co.
Chicago, Ill.	St. Paul, Minn.	400	60	20	(w) C., M. & St. P.
Do.	Paducah, Ky.	400	50	20	(s).
St. Paul, Minn.	Mohrbridge, S. Dak.	400	105	45	(w) C., M. & St. P.
Louisville, Ky.	Holly Springs, Tenn.	400	98	39	(s).
Knoxville, Tenn.	Memphis, Tenn.	400	84	32	(s).
St. Louis, Mo.	Bellevue, Ohio	400	46	15	(o) Big 4.
Average charge, 400 miles.			62.7	23.7	
Boston, Mass.	West Monroe, N. Y.	484	40	15	(o) N.Y., N.H. & H.
New York, N. Y.	Westfield, N. Y.	484	45	15	(o) N. Y. C. & H.
Pittsburgh, Pa.	Chicago, Ill.	484	45	15	(o) Pa. Co.
Chicago, Ill.	Liberty, Mo.	484	80	27	(w) C., M. & St. P.
Do.	St. Paul, Minn.	484	114	47.5	(w) C., M. & St. P.
St. Paul, Minn.	S. Dak.	484	98	41	(s).
Louisville, Ky.	Montgomery, Ala.	484	106	48	(s).
Knoxville, Tenn.	Jesup, Ga.	484	52.5	16	(o) Big 4.
St. Louis, Mo.	Shelby, Ohio.	484	52.5	16	(o) Big 4.
Average charge, 484 mile.			72.5	28	
Boston, Mass.	Depew, N. Y.	576	44	15	(o) N.Y., N.H. & H.
New York, N. Y.	Perry, Ohio.	576	50	17	(o) N. Y. C. & H.
Pittsburgh, Pa.	St. Louis, Mo.	576	56	18	(o) Pa. Co.
Chicago, Ill.	Lincoln, Neb.	576	85	135	(w) C., B. & Q.
Do.	Memphis, Tenn.	576	85	31	(s).
St. Paul, Minn.	Griffin, N. Dak.	576	133	155	(w) C., M. & St. P.
Louisville, Ky.	Macon, Ga.	576	103	43	(s).
Knoxville, Tenn.	St. Louis, Mo.	576	114	44	(s).
St. Louis, Mo.	Painesville Ohio.	576	55.5	17	(o) Big 4.
Average charge, 576 miles.			80.5	30.5	
Boston, Mass.	Erie, Pa.	676	50	17	(o) N. Y. C. & H.
New York, N. Y.	Sandusky, Ohio.	676	59	20	(o) N. Y. C. & H.
Pittsburgh, Pa.	Rock Island, Ill.	676	69	23.5	(o) P. & L. E.
Chicago, Ill.	Holdrege, Neb.	676	144	162	(w) C., B. & Q.
Do.	Terry, Mont.	676	157	179	(w) C., M. & St. P.
St. Paul, Minn.	Mobile, Ala.	676	90	35	(s).
Louisville, Ky.	Philadelphia, Pa.	676	100	40	(s).
Knoxville, Tenn.	Westfield, N. Y.	676	56.5	18.5	(o) Big 4.
St. Louis, Mo.			90.6	36.9	
Average charge, 676 miles.			90.6	36.9	
Boston, Mass.	Toledo, Ohio.	784	59	20	(o) N. Y. C. & H.
New York, N. Y.	Edgerton, Ohio.	784	68	23	(o) N. Y. C. & H.
Pittsburgh, Pa.	St. Paul, Minn.	784	95	29	(o) P. & L. E.
Chicago, Ill.	Culbertson, Neb.	784	157	167	(w) C., B. & Q.
Do.	Jackson, Miss.	784	118	49	(s).
St. Paul, Minn.	Heritage, Mont.	784	180	190	(w) C., M. & St. P.
Louisville, Ky.	New Orleans, La.	784	90	35	(s).

1 Fifth-class rates.

Table of actual freight rates per 100 pounds, etc.—Continued.

Routings.		Dis- tance in miles.	Classes.		Railway system.
Shipped from—	Shipped to—		First.	Sixth.	
Knoxville, Tenn. St. Louis, Mo.	Rochester, N. Y. Bergen, N. Y.	784 784	<i>Cents.</i> 100 66.5	<i>Cents.</i> 40 22	(s). (o) Big 4.
Average charge, 784 miles.			103.7	41.7	
Boston, Mass. New York, N. Y. Pittsburgh, Pa. Chicago, Ill. Do. St. Paul, Minn. Louisville, Ky.	Sturgis, Mich. La Porte, Ind.  Akron, Colo. New Orleans, La. Ryegate, Mont. North Adams, Mass.	900 900  900 900 900 900	72 72  180 110 202 82	24 24  167 41 101 27	(o) N. Y. C. & H. (o) N. Y. C. & H.  (w) C., B. & Q. (s). (w) C., M. & St. P. (o) Big 4.
Knoxville, Tenn. St. Louis, Mo.	Utica, N. Y. Canastota, N. Y.	900 900	100 79.5	40 26	(s). (o) Big 4.
Average charge, 900 miles.			110.2	42.1	
Boston, Mass. New York, N. Y. Pittsburgh, Pa. Chicago, Ill. Do. St. Paul, Minn. Louisville, Ky. Knoxville, Tenn. St. Louis, Mo.	Elkhart, Ind. Mattoon, Ill. Tulsa, Okla. Denver, Colo. Pan Handle, Tex. Lombard, Mont. Boston, Mass. Portland, Me. Albany, N. Y.	1,024 1,024 1,024 1,024 1,024 1,024 1,024 1,024 1,024	72 83 170 180 176 225 82 100 84	24 28 174 67 192 113 27 40 28	(o) N. Y., C. & H. (o) N. Y., C. & H. (w). (w). (w). (w) C., M. & St. P. (s). (s). (o) Big 4.
Average charge, 1,024 miles.			129.7	54.7	
Boston, Mass. New York, N. Y. Pittsburgh, Pa.	Geneva, Ill. St. Louis, Mo. Oklahoma City, Okla.	1,156 1,156 1,156	78 88 180	26 29 182	(o) N. Y., C. & H. (o) N. Y., C. & H. (w).
Chicago, Ill. Do. St. Paul, Minn. Louisville, Ky. Knoxville, Tenn. St. Louis, Mo.	Pueblo, Colo. Bovina, Tex. Deer Lodge, Mont. Portland, Me. Montreal, Quebec. Springfield, Mass.	1,156 1,156 1,156 1,156 1,156 1,156	180 189 225 82 116 94.5	167 199 113 27 46 31	(w). (w). (w) C., M. & St. P. (s). (s). (o) Big 4.
Average charge, 1,156 miles.			136.9	57.7	

1 Fifth-class rates.

The classification territory is indicated by initials preceding the name of the railway system used—"o" for Official, "w" for Western, "i" for Illinois, and "s" for Southern.

Expository fast-freight express rates, first and sixth classes, and actual express rates.

Distance.	Classes.	10 pounds.	20 pounds.	30 pounds.	40 pounds.	50 pounds.	Square root.
<i>Miles.</i>							
25	Express	\$0.32	\$0.32	\$0.41	\$0.44	\$0.48	
	First	.12	.15	.16	.19	.21	
	Sixth	.12	.15	.16	.19	.21	
100	Express	.42	.46	.56	.64	.74	10
	First	.14	.21	.25	.31	.36	
	Sixth	.12	.17	.20	.23	.27	
196	Express	.51	.60	.73	.82	.95	14
	First	.16	.23	.29	.36	.43	
	Sixth	.13	.18	.21	.25	.29	
324	Express	.63	.79	.91	.99	1.05	18
	First	.18	.26	.33	.41	.49	
	Sixth	.13	.19	.23	.27	.32	
484	Express	.79	1.01	1.23	1.35	1.40	22
	First	.19	.30	.38	.48	.58	
	Sixth	.14	.21	.25	.30	.35	
676	Express	.92	1.24	1.54	1.83	1.86	26
	First	.21	.34	.46	.58	.70	
	Sixth	.15	.22	.27	.34	.40	
900	Express	.97	1.30	1.61	1.90	1.99	30
	First	.22	.37	.49	.63	.76	
	Sixth	.16	.23	.29	.36	.42	
1,296 <sup>1</sup>	Express <sup>1</sup>	1.18	1.72	2.40	3.02	3.25	36
	First	.28	.49	.67	.87	1.07	
	Sixth	.17	.27	.35	.43	.52	
1,600	Express	1.25	1.90	2.63	3.35	3.74	40
	First	.31	.54	.75	.97	1.19	
	Sixth	.19	.30	.39	.49	.59	
1,800	Express	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	
	First	.33	.59	.82	1.07	1.31	
	Sixth	.21	.32	.41	.53	.68	
2,100	Express	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	
	First	.37	.66	.93	1.22	1.50	
	Sixth	.21	.35	.46	.58	.70	
2,500	Express	1.40	2.60	3.87	4.47	5.58	50
	First	.42	.76	1.08	1.41	1.74	
	Sixth	.23	.38	.51	.66	.80	

1 Rates for distances above 900 miles are calculated in arithmetical proportions of the 900-mile rates for first and second classes.

2 Figures not obtained.

## Expository fast-freight express rates, etc.—Continued.

Distance.	Classes.	10 pounds.	20 pounds.	30 pounds.	40 pounds.	50 pounds.	Square root.
<i>Miles.</i>							
2,700.....	Express.....	(1)	(1)	(1)	(1)	(1)	
	First.....	\$0.44	\$0.81	\$1.15	\$1.51	\$1.86	
	Sixth.....	.24	.40	.55	.69	.84	
3,136.....	Express.....	1.54	2.89	4.28	5.70	6.88	56
	First.....	.50	.92	1.32	1.73	2.14	
	Sixth.....	.26	.44	.60	.77	.94	
3,300.....	Express.....	(1)	(1)	(1)	(1)	(1)	
	First.....	.52	.96	1.37	1.80	2.23	
	Sixth.....	.27	.46	.64	.82	1.00	
3,600.....	Express.....	1.65	3.00	4.47	5.95	7.44	60
	First.....	.55	1.03	1.48	1.95	2.41	
	Sixth.....	.28	.54	.66	.85	1.04	
	Loadings to above weights:						
	Passenger train.	.01	.02	.03	.04	.05	
	Collect and delivery.....	.05	.07	.08	.09	.10	
	General expense.....	.05	.05	.05	.05	.05	
		.11	.14	.16	.18	.20	
Distance.	Classes.	60 pounds.	70 pounds.	80 pounds.	90 pounds.	100 pounds.	Square root.
<i>Miles.</i>							
25.....	Express.....	\$0.53	\$0.53	\$0.54	\$0.54	\$0.54	5
	First.....	.23	.25	.27	.29	.31	
	Sixth.....	.23	.25	.27	.29	.31	
100.....	Express.....	.82	.89	.89	.89	.89	10
	First.....	.41	.46	.51	.56	.61	
	Sixth.....	.30	.33	.36	.39	.42	
196.....	Express.....	1.08	1.22	1.28	1.30	1.30	14
	First.....	.49	.55	.61	.68	.74	
	Sixth.....	.33	.36	.40	.43	.47	
324.....	Express.....	1.23	1.43	1.58	1.80	1.77	18
	First.....	.57	.64	.72	.79	.87	
	Sixth.....	.36	.40	.44	.48	.52	
484.....	Express.....	1.68	1.96	2.24	2.52	2.78	22
	First.....	.67	.76	.85	.95	1.04	
	Sixth.....	.40	.45	.47	.54	.59	
676.....	Express.....	2.24	2.61	2.98	3.35	3.70	26
	First.....	.81	.93	1.05	1.16	1.28	
	Sixth.....	.45	.51	.57	.63	.68	
900.....	Express.....	2.36	2.75	3.14	3.54	3.93	30
	First.....	.90	1.02	1.15	1.28	1.41	
	Sixth.....	.48	.54	.61	.67	.73	
1,296.....	Express.....	3.69	4.53	5.17	5.82	6.46	36
	First.....	1.26	1.45	1.64	1.83	2.02	
	Sixth.....	.60	.68	.76	.84	.92	
1,600.....	Express.....	4.33	5.18	5.90	6.66	7.40	40
	First.....	1.40	1.62	1.83	2.05	2.26	
	Sixth.....	.69	.78	.87	.97	1.06	
1,800.....	Express.....	(1)	(1)	(1)	(1)	(1)	
	First.....	1.55	1.79	2.03	2.27	2.51	
	Sixth.....	.73	.84	.86	1.05	1.15	
2,100.....	Express.....	(1)	(1)	(1)	(1)	(1)	
	First.....	1.77	2.05	2.33	2.60	2.88	
	Sixth.....	.82	.94	1.05	1.17	1.29	
2,500.....	Express.....	6.65	7.76	8.87	9.98	11.68	50
	First.....	2.04	2.39	2.72	3.04	3.37	
	Sixth.....	.93	1.07	1.21	1.34	1.48	
2,700.....	Express.....	(1)	(1)	(1)	(1)	(1)	
	First.....	2.21	2.56	2.91	3.26	3.61	
	Sixth.....	.99	1.13	1.29	1.43	1.57	
3,136.....	Express.....	8.71	9.68	10.95	12.32	13.69	56
	First.....	2.64	2.95	3.35	3.76	4.16	
	Sixth.....	1.11	1.27	1.44	1.60	1.77	
3,300.....	Express.....	(1)	(1)	(1)	(1)	(1)	
	First.....	2.65	3.07	3.49	3.92	4.34	
	Sixth.....	1.15	1.33	1.50	1.68	1.85	
3,600.....	Express.....	8.92	10.44	11.90	13.39	14.87	60
	First.....	2.87	3.33	3.79	4.25	4.71	
	Sixth.....	1.24	1.43	1.61	1.80	1.99	
	Loadings to above weights:						
	Passenger train.	.06	.07	.08	.09	.10	
	Collect and delivery.....	.11	.12	.13	.14	.15	
	General expense.....	.05	.05	.05	.05	.05	
		.22	.24	.26	.28	.30	

<sup>1</sup> Figures not obtained.

The expository rates above given for first class start at about one-half the express average rates and decrease gradually until at 3,600 miles they are about one-third the express charge.

The rates suggested under sixth class begin at about one-half also, but decrease more rapidly. At 3,600 miles they are nearly one-eighth of the average express rate.

NOTE.—The distance up to 100 miles may be accomplished about as cheaply at postal rates for first class as by the combination of fast freight (75 miles) and postal (25 miles) service. Thus 100 pounds, at postal rates for 100 miles, would be 40 cents, which, added to "collect and delivery" and "general expense" (20 cents), makes a rate of 60 cents the first-class rate for the combination.

## Comparative express data.

(Compiled by DAVID J. LEWIS, M. C.)

Weight of express packages carried, 1890, 3,292,546,000 pounds	1,646,273
Weight of express packages carried, 1909, 8,496,710,000 pounds	4,248,355
Average number pounds per package, 1890	32.54
Gross express revenue, 1890	\$45,783,123.32
Estimated proportion from money orders (5 per cent)	\$2,289,156.66
Rate per average package, 1890	\$0.443
Increase of rate, 1909 over 1890	14.2
RAILWAY PAY.	
Total amount of railway pay, 1890	\$19,327,280.49
Railway pay, 1890	per pound—\$0.00587
Railway pay, 1909	do—\$0.00740
Increase in traffic, 1909 over 1890	per cent—258
Increase in freight traffic, 1890 to 1910	do—290
Decline in freight rate per ton-journey	do—7.3
Increase in express rate, 1909 over 1890	do—14.2
Increase in express railway pay, 1909 over 1890, per cent	26

Mr. BORLAND. Mr. Chairman, I will ask the gentleman from Massachusetts to use some of his time now.

Mr. GILLET. Mr. Chairman, I wish to occupy a few minutes in discussing the much-vaunted Democratic policy of economy, as illustrated by this deficiency appropriation bill. Of course this bill does not represent the administration. It does not as yet represent the House. It represents only the Committee on Appropriations. It is their report and conclusion, and I wish at the beginning to admit frankly that I think the committee has exercised a wise judgment in passing upon the estimates sent them by the administration. I wish also to say at the outset that the chairman who conducted the hearings evinced in his examinations toward this friendly administration practically the same kind of scrutiny which he did last session toward a hostile administration. I admit I was somewhat surprised; I was not entirely prepared for it; but I think it is only fair to say that he subjected the representatives of the administration of his own party to the same rigid and rigorous cross-examination that he did those of the opposing party in the last Congress, and this bill in the main, although there are some things in it which I criticize, is characterized by an impartial spirit of economy.

But, Mr. Chairman, we have before us not only the bill reported by the committee but we have the estimates which exhibit what this Democratic administration—this administration of simplicity and economy—desires. It is the first exhibition we have had under the new administration of how they were going to carry out their pledges. I presume you all have in mind the clause of the last Democratic platform upon this subject, which is as follows:

We denounce the profligate waste of the money wrung from the people by oppressive taxation through the lavish appropriations of recent Republican Congresses, which have kept taxes high and reduced the purchasing power of the people's toll. We demand a return to that simplicity and economy which befits a democratic government, and a reduction in the number of useless offices, the salaries of which drain the substance of the people.

That is the pledge which we have a right to expect this Democratic administration will carry out. Those of you who were here in the Sixty-first Congress will remember with what a boastful manner the chairman of the present Democratic caucus, the then chairman of the retrenchment committee, came before the House and showed the economies which they were going to accomplish here, and the much greater economies they were going to compel in the various departments of the Government. It is but fair to say that I think Mr. PALMER's committee did at the outset accomplish very useful reforms in this House. I think they cut off a vast number of superfluous offices, offices which would never have been gotten rid of except through a change of administration, and in that way they rid Congress of the charge which could fairly have been made against us, of being the most extravagant branch of the United States Government. You will remember that he said they were going to save in this House \$88,000 in salaries, and I rather think they did it. I think the trouble with that committee was that it did not go far enough. If they really had wished to accomplish permanently their economic purpose, and put it upon a stable perpetual foundation, they ought to have put it under some kind of civil service. As it was, they left it just as it had been, that each Member of the House should have his certain amount of patronage.

I understand the way they arranged was to add up the salaries of all the different officers of the House and divide the amount by the number of Democratic Congressmen, and the quotient was the amount of patronage which came to each Congressman. I notice that the day before yesterday, according to the press, they had a caucus upon that subject, and apparently, having

left it under the old system. It has already come back to plague them. The Washington Post of the day before yesterday had in it an article respecting that caucus, which reads as follows:

HARD TO DIVIDE THE JOBS—HOUSE DEMOCRATIC CAUCUS GIVES UP PATRONAGE PROBLEM IN DESPAIR.

After a two-hour discussion of the patronage question, the House Democratic caucus adjourned in despair late yesterday. One of the Members said that the trouble was solely one of mathematics.

The committee having charge of the distribution of plums reported that there are 236 available jobs, worth in the aggregate \$278,000; that these must be divided between 232 Members, but that already all of them but 94 have been handed around, and yet there are 114 Members who have not received anything. The fortunate ones are holding tight to their patronage, and the caucus was unable to find a way to divide 114 evenly into 94.

It will make another attempt Tuesday night.

So that although they established, as I am free to admit, a useful economy they did not put it upon a permanent footing by taking away from Members the patronage. The result is that now every one of you Democrats has a personal motive to increase both the salaries and the number of the employees of this House, because the more they are the more patronage you get; and as long as that condition exists we can not expect a real, permanent economical administration here.

Mr. LLOYD. Will the gentleman yield for a question?

Mr. GILLET. Certainly.

Mr. LLOYD. What instance can the gentleman point to where we have increased salaries of the House employees or increased the number of the House employees except—

Mr. GILLET. Oh, yes; there have been a number of cases—

Mr. LLOYD (continuing). Except those employees which are necessary for the increased membership of the House.

Mr. GILLET. That is a very elastic term, of course.

Mr. LLOYD. And the necessity for the use of the Maltby Building.

Mr. GILLET. There were various necessities springing up, and I have no doubt in the future, as the gentleman expresses it—

Mr. LLOYD. The gentleman wants to be fair.

Mr. GILLET. I do.

Mr. LLOYD. The membership of the last House was 391 or 392 and now it is 435. There is considerably more work in the folding room than there was before. There is more elevator service needed than before. There is quite a good deal more work necessary to be performed because of the greater number of Members, and it is no reflection upon the economy and efficiency of this side of the House that they are furnishing the men necessary to meet those needs.

Mr. GILLET. Certainly it is not, and I have not affirmed so, although I think there were in the last Congress a few increases aside from those of which the gentleman speaks. But all I am asserting is that you gentlemen in the future will not be relieved from the temptation to break down your plan, and I believe it will be broken in the future.

Mr. LLOYD. I want to call the attention of the gentleman to the fact that there is no increase in the number of employees after we did cut them off except in one instance, and that was one to the minority leader.

Mr. GILLET. There is one case, and there always will be an excuse offered, as the gentleman now offers one, on account of the increased membership. I will admit I am surprised they have not been larger up to date, and I believe under the practice you have adopted of patronage to the Members there will be a constant increase, because there is a constant temptation to increase.

The gentleman from Pennsylvania [Mr. PALMER], when he made the speech in which he explained with much partisan exultation this saving of \$88,000, made this remark:

Every platform of the Democratic Party during the past 16 years has contained a ringing denunciation of the waste, the extravagance, and the profligacy which has entered into every department of the Government.

And then he quotes from the Democratic platform:

Large reductions can easily be made in the annual expenses of the Government without impairing the efficiency of any branch of the public service. We favor the enforcement of honesty in the public service, and to that end a thorough and rigid investigation of those departments of the Government already known to teem with corruption, as well as other departments suspected of harboring corruption.

And the gentleman from Pennsylvania said that this reduction in the House was only the first step, and we were to see similar reductions in all the various departments of the Government. Then he said:

It is no secret, and I am divulging no secrets, either of the committee which named the majority members of the committees of this House in the first instance or the caucus which adopted its recommendation, when I say that this House and this Congress is deliberately organized, as far as its committee assignments are concerned, with an eye single to putting into force that principle of democracy which we know is economy in the public expense.

That is the declaration which met us at the beginning of the control of this House by the Democratic Party. I admit that in the affairs of this House they have accomplished that \$88,000 reduction, but what have they done to offset it in this House? Why, immediately they put to work committees of investigation to find out, apparently, these facts which he speaks of, "the departments of the Government already known to teem with corruption." They appointed other committees to investigate other departments and cut down there the corruption and the expense.

And what was the result there? This House in the last Congress had a bigger contingent fund than ever before in the last 20 years. They saved \$88,000, to be sure, right here by cutting off these offices, and yet in the one item of the contingent fund they expended \$60,000 more than the previous Congress. There goes so much of your boasted saving. And what was the result of it? You have investigated those departments "which were known to be teeming with corruption," but you have not found the promised corruption, and you have not made the promised reduction of expenses. You spent money lavishly; you gave curiosity free scope. The contingent expenses of this House were largely increased, but you have produced nothing at all commensurate with your efforts, your expectations, or your predictions. The reason is obvious. The departments of the Government are under civil-service rules. If they were not, if the ordinary impulses of selfishness had there the same free play that they had in this House, I presume similar results would have followed and you would have found then what you apparently expected—corruption, demoralization, and extravagance.

Those various committees have done nothing commensurate with the amount of money which they have spent. Here and there a little valuable information has been doled out to the people, but apparently the great purpose was to spend money and to use up in some way this \$88,000 which it must have been so distasteful to a great part of that side of the House to give up. That is the first accomplishment which they made.

Now, there are a number of things that happened in the last hours of the last Democratic Congress which we have not had an opportunity to discuss. I read to you the statement of the gentleman from Pennsylvania [Mr. PALMER], that it was "no breach of confidence to say that this House and this Congress is deliberately organized, as far as its committee assignments are concerned, with an eye single to putting into force that principle of democracy which we know as economy in the public expense." There was one committee of the House which is the one of all others liable to extravagance.

There is one committee over which the Democratic Party, organizing, as the gentleman from Pennsylvania says, its committees for the purpose of economy, must have exercised the most careful scrutiny. That is the Committee on Public Buildings and Grounds. That is the committee which is generally known as the "pork" committee. That is the committee where the interests of individual Members come up against the interests of the great public. There, then, is the best test of the genuineness of this economical purpose of which the gentleman from Pennsylvania boasted. Now, let us look at the test and see how the Democratic Party carried out this boastful assertion of their chairman that their committees were organized along the lines of economy. I did not know at the time that bill was reported, and probably very few knew, its details. I found out about it recently from the annual tabulated statement of the expenses of the last Congress. You remember that when the Committee on Public Buildings and Grounds made its report it was stated that the bill probably carried at the outside \$30,000,000—probably much less than that. This tabulated statement, which was recently prepared, shows that the authorizations in that bill alone amounted to \$45,000,000, half as much again as the outside estimate which was put before us by the committee. And not only that, in addition they appropriated for over 130 sites of buildings. Every one of those sites involved a building in the future. It is not an authorization. I do not blame them for not counting that in the expense which they estimated, but, after all, we all know that it is just as much a burden on the country to put in the purchase of a site, as if they put in at the same time the building, because it necessarily involves the subsequent construction of a building. So on those 130 sites, admitting that they only put the smallest and least expensive buildings on them which they ever erect, which is \$50,000, there are \$6,500,000, which, added to \$45,000,000, makes over \$51,000,000, which is practically burdened upon the Treasury by this committee which was selected by the Democratic caucus so carefully in order to carry out the Democratic principles of simplicity and economy.

And the details of that bill, as you investigate them, make it even more of a monstrosity than the mere figures themselves. Personally, I do not believe that it is economy or that it is wise

for this Government to put up a public building in any place of less than 100,000 inhabitants, certainly in a town of less than 50,000 inhabitants. When you look at the interests of the Government and not to the interests of the individual, not to the desire to make ourselves popular in our locality, to ornament and adorn a town, in these small towns of 2,000 or 3,000 or 4,000 inhabitants, the construction of a Government building, costing as they do \$50,000, is an outrageous extravagance. How much does it cost in those towns before the Government building goes up, do you suppose, on an average, to rent a suitable, commodious, proper post office? The statistics show somewhere from \$200 to \$1,000. From that sum all the annual expenses of the post office are paid. What does it cost after you put up a building costing \$50,000? It costs between \$2,500 and \$3,000 just to run the building—the expense to the Government. Before they only had to pay on an average \$500 for rent and fuel and light and janitor service and everything. Now, besides the interest on the building, you have to pay about \$3,000 for simply running the building—six times as much as you paid before for everything.

And then the interest in the building, say at 3 per cent, adds \$1,500 more per year, so that there is an annual expense of \$4,500 as against the previous annual expense of \$500.

It is preposterous. No business concern, no business enterprise would ever think of erecting a building at a cost of \$50,000 in any of these small towns, where they do not need it, where it is merely an ornament, where it is entirely out of keeping with all the other buildings in the place. Why, as soon as you go into one of these towns at once you are struck by the contrast between the United States building and all the other buildings of the place.

Of course it is argued that that is an incentive to patriotism. I think the probable result on the people is just the contrary. I think the probable result is for them to say: "There is certainly something easy in Washington. If we can get a building like this for our little town, what else can we not get from that overflowing Treasury?" And it constantly inculcates and encourages a feeling throughout the country, which unfortunately is too rife already, that the United States Treasury is simply a huge grab bag, and that anybody who wants to can get his hand in it. It also brings pressure to bear upon all of us, a constant pressure from our constituents, to get something for them out of the Public Treasury. So that instead of looking out for the welfare and the benefit of the United States, there is a constant impulse upon us to look out for the selfish good of the locality. To spend \$50,000 for a post office in a little town of 1,000 or 2,000 or 3,000 inhabitants is an outrageous extravagance, and yet that is the policy of this committee, so carefully selected for economy.

Now, of these 120 sites that are authorized over 100 are in towns which do not have annual postal receipts of \$10,000, towns of 1,000 to 3,000 inhabitants. Up to this present Democratic, economical administration it was the rule that no place which had less than 1,000 inhabitants and \$10,000 of postal receipts should have a public building.

Mr. LLOYD. If the gentleman will permit, the rule was 10,000 inhabitants or \$10,000 of postal receipts.

Mr. GILLET. I thought it was 1,000 inhabitants and \$10,000 of postal receipts.

Mr. LLOYD. No. It was 10,000 inhabitants or \$10,000 of postal receipts.

Mr. GILLET. I thought it was the other way. But it makes no difference. This committee violated that rule in over 100 places. Yet the committee itself recognized the value of that rule. They thought apparently that that was a proper limit, because at the end of the bill they put in a provision that in the future, after their looting of the Treasury had passed by, after the Democratic simplicity had fully illustrated itself, no place with less than \$10,000 postal receipts should be allowed a building. They admitted by their very language that they were violating what they thought was a proper principle. Yet this was the committee which was selected with such care to carry out this Democratic fundamental purpose of a simple, economical government. The result was the most indefensible distribution of "pork" Congress has ever perpetrated.

There was another illustration which happened at the very end of the last Congress, to which I should like to allude. Those of you who were here in the Sixty-first Congress will remember that one of the most tempestuous and violent contests on this floor—a contest in which the Democratic Party was aligned most solidly, and in which they showed a violence and fury quite disproportionate to the size of the appropriation involved—was over an increase of salary for the Secretary to the President. The subcommittee of which I was chairman

reported that provision favorably. There was then a Republican President and a Republican Secretary to the President.

That side of the House selected that item for a most tremendous assault. Anybody who did not know the Democratic Party would have thought they were certainly sincerely and genuinely in earnest that time. They denounced that proposed increase as an unjustifiable extravagance. They said the Secretary to the President was not entitled to any such sum; that he had enough already; that they would never allow it when the bill came back from conference, and they fought it as violently and as vigorously and bitterly as possible.

If there ever was a method by which a party could show its sincerity, it was the way in which the Democratic Party as represented in Congress made that assault upon the increase of salary to the Secretary to the President. In the next Congress, when they had a majority, they were at first consistent, and they really imposed on me and led me to think for a while that they were sincere; for the committee, of which I was still a member, although a minority member, reported the salary back and cut it down from \$7,500 to its old figure. But they were magnanimous. They said, "It shall be \$7,500 until the 4th of March, when the term of the present Secretary to the President shall have expired," but they provided that after the 4th of March it should revert to its previous figure.

When they reported that they did not know who was going to be President after the 4th of March. That was before the election. They put the salary back to its former figure after March 4, and I thought they were magnanimous and generous in allowing the Republican Secretary to the President to continue to receive the raised salary throughout the remainder of his term. But they declared that after his term was ended no such extravagant and indefensible appropriation should be allowed.

And yet what happened, Mr. Chairman? Last winter, after a Democratic President had been elected, after his Secretary had been selected, despite all their argument and denunciation, there was smuggled into the appropriation bill, and went through at the very end of the session, a little clause providing that the salary of the Secretary to the President should be \$7,500 again. And not only that, but instead of leaving it as it had been before, simply a clause of an appropriation bill, they made it permanent law, and so insured themselves that they should have it for the next four years.

Mr. FITZGERALD. Will the gentleman yield?

Mr. GILLET. Certainly.

Mr. FITZGERALD. The gentleman does not want to be unfair?

Mr. GILLET. I certainly do not.

Mr. FITZGERALD. The gentleman says this matter was smuggled into the appropriation bill. Now, the fact is that the House passed the legislative bill with the salary of the Secretary to the President at \$6,500.

Mr. GILLET. Yes.

Mr. FITZGERALD. The Republican Senate increased it to \$7,500 and made it a permanent provision.

Mr. GILLET. Yes.

Mr. FITZGERALD. And when the bill came back to the House the Republican leader moved to concur in the amendment; and in view of the fact that a Republican Senate and the Republican minority leader, with knowledge of who was to be Secretary to the President, were insisting that he should have \$7,500, the Members of the House, on a record vote, decided to acquiesce in that, and adopted the amendment.

Mr. GILLET. I will admit—

Mr. FITZGERALD. I do not think the gentleman can fairly say that the Democratic Party was guilty of an impropriety when it made at least one concession to the Republican minority and to the Republican Senate.

Mr. GILLET. I will admit that I made a mistake when I said it was smuggled in, because I was not aware of the fact that there was a vote on it. I was not present. I never knew that the provision had gone through until afterwards, and I assumed that there was no vote on it.

Mr. FITZGERALD. The gentleman from Illinois [Mr. MANN] moved to concur in the Senate amendment.

Mr. GILLET. In view of the gentleman's statement I have no doubt of that. I do not question the gentleman's statement at all, and therefore I retract my statement that it was smuggled in. But, Mr. Chairman, that does not alter the fact that that side of the House opposed it vigorously and violently so long as a Republican was to receive the benefit, but when a Democrat was to receive the fruits of it they acquiesced.

The Republican side was always consistent. We thought \$7,500 a proper salary for the office and we voted for that sum

whether the beneficiary was a Republican or a Democrat. But the last House was overwhelmingly Democratic, and though the Republican leader might have made the motion it could only be carried by Democratic votes. I only allude to it as a good illustration of the sincerity of the Democratic platforms and pledges and boasts about economy.

Mr. JOHNSON of South Carolina. I wish to call the attention of the gentleman to the fact that the salary of the Secretary to the President was reduced from \$10,000 to \$7,500 in the legislative bill.

Mr. GILLET. Oh, no; you are mistaken. It never was \$10,000.

Mr. JOHNSON of South Carolina. It was in the legislative bill. The gentleman and I made up that bill and brought it into the House.

Mr. GILLET. Certainly, and it was \$7,500.

Mr. JOHNSON of South Carolina. The legislative bill for this year carries the salary at \$7,500.

Mr. GILLET. Yes.

Mr. JOHNSON of South Carolina. The change was made in the Senate, in the sundry civil or deficiency bill.

Mr. GILLET. It was made in the deficiency bill.

Mr. JOHNSON of South Carolina. So far as the people who were responsible for the original reduction are concerned, they have been consistent, and they voted against the increase.

Mr. GILLET. Mr. Chairman, this being consistent is very easy when it does not accomplish anything. But the Democratic majority was not consistent. They opposed it with violence and unanimity when they were in a minority and there was a Republican President, but when there was a good Democratic majority the Democratic House concurred in an amendment allowing to their man what they would not allow to us. I am perfectly aware that the Republican Senate put it in. But does anybody doubt where the suggestion came from that it should be put in? Does anybody doubt what the influence really was that carried that through this House?

Mr. DONOVAN. Will the gentleman permit an interruption?

Mr. GILLET. I will permit a question.

Mr. DONOVAN. This is not exactly a question.

Mr. GILLET. Then I can not yield. The gentleman can get time from his own side.

Mr. DONOVAN. Perhaps I am on the gentleman's side. [Laughter.]

Mr. GILLET. How much time does the gentleman want?

Mr. DONOVAN. Oh, eight seconds or a minute.

Mr. GILLET. Very well.

Mr. DONOVAN. If the gentleman will stop to think, he will see that the occasion of it was to reward virtue; that in giving the increased salary the gentleman mentions they were following the dictates of nature, because the present secretary has six or seven children and the other one had none. It was really an honorable act to do—to reward nature, to reward virtue, to reward humanity—and I am surprised that the distinguished gentleman from Massachusetts should find error in it.

Mr. GILLET. Oh, I am not finding error in it. On the contrary, I believe that the Secretary to the President is well entitled to \$7,500. I would have voted for it under any administration, and I did vote for it when it came up in a Republican administration, not because the secretary was a Republican, but because I believed that the office ought to have it. I thoroughly believe that the gentleman who now holds the place is worth that salary, and I am very glad that the House passed it.

The gentleman from Connecticut misconceives my remarks if he thinks I am criticizing the size of the salary or the work of the gentleman who holds the position. What I am criticizing is not that the Democratic Party increased the salary, but I am criticizing the humbug, the hypocrisy, of that side of the House in violently and ferociously attacking that salary when it was for a Republican, and then when they have a big majority and one of their own party is going to draw the salary swallow their own words, reverse their conduct, and provide for their own secretary what they had most solemnly insisted he ought never to receive.

Mr. HELGESEN. Will the gentleman yield?

Mr. GILLET. Yes.

Mr. HELGESEN. Is it not a fact that this question was settled by a party vote, the Democrats voting for it and the Republicans not voting at all?

Mr. GILLET. I was not aware of it.

Mr. HELGESEN. I think the record will show that, and that they are as hypocritical now as they were then.

Mr. GILLET. There is another clause in the bill that I wish to advert to, and that is the appropriation of \$39,000 for the Civil Service Commission to conduct examinations of the

fourth-class postmasters. I appreciate how dear that appropriation must be to that side of the House. We know why it is given. It is given to remove Republican postmasters. It is given because the President two or three months ago issued an order by which all fourth-class postmasters should be examined, and that by the result of that examination it will be determined whether they shall hold their offices.

We know, of course, the purpose of that provision. The purpose of it is to give the Democratic Party as many fourth-class post offices as possible of those covered into the civil service partly by President Roosevelt and partly by President Taft. It seems to me that if there was any class of officers that were entitled not to be interfered with it was the fourth-class post offices.

When I came to Congress 20 years ago it was generally understood that whereas most of the clerical offices had been taken out of the patronage spoils class, the postmasters throughout the country were still a matter of congressional patronage. If there was a vacancy in my district and I wanted to fill it, all I had to do was to send a recommendation and that settled the question. If I wanted to get rid of a postmaster, all I had to do was to suggest it and he was removed.

That was the generally accepted position up to that time. President Roosevelt made a great change in that when he sent word to Congressmen that in future when a postmaster's term of office expired, or when he was to be removed, it would not be simply a question of the volition of the Congressman, but the question would be what criticism could be made upon the service of the man as postmaster. As I remember the language which we used to receive it was that the term of such and such a man has expired and that the records of the department show that he has rendered satisfactory service. Then the question came, Have you any reason to submit why he should not be continued in office? And, unless we could give reasons—not political reasons, but charges against his efficiency—that man was continued in office; and that has been the custom for the last 10 years.

Mr. LLOYD. Was that the custom immediately following the election of William McKinley in 1896?

Mr. GILLET. Oh, no; it was not. I said it was not.

Mr. LLOYD. The Republicans waited until they had secured all of the post offices in the United States, and had Republican postmasters filling them, and then they were willing to have the civil service apply to them, and now they are disposed to complain when the Democrats say that there shall be a genuine civil-service examination, and that the man filling the office shall fill it because he has attained it under that examination.

Mr. GILLET. Mr. Chairman, I am complaining of what I believe is a device under which the men in a large section of the country, many of whom are now in office, can be removed.

Mr. BARKLEY. Is it not also a fact that the order of Mr. Taft covering 40,000 fourth-class postmasters into the civil service was a device to keep them in office as a reward for assisting him to be nominated as against Mr. Roosevelt at Chicago? [Applause on the Democratic side.]

Mr. GILLET. No; it was not. It was not the fourth-class postmasters who were active in politics, but it was the postmasters higher up.

Mr. BARKLEY. They were active in proportion to their importance.

Mr. GILLET. They were not important enough to be active.

Mr. BARKLEY. They were important enough to be rewarded by being retained in the civil service.

Mr. GILLET. That is just what they were not.

Mr. BARTLETT. How long did it take President Roosevelt after he came into office to realize the importance of putting these fourth-class post offices into the civil service?

Mr. GILLET. The gentleman is not referring to what I have referred to.

Mr. BARTLETT. It was after President Taft had been elected in 1908, was it not?

Mr. GILLET. No; it was long before that.

Mr. BARTLETT. I have the date of the order. I have a copy of the order in my hand.

Mr. GILLET. I am not talking about the order. That is where the gentleman has not followed me.

Mr. BARTLETT. I am sorry that I have not.

Mr. GILLET. I will speak about the order at this time.

Mr. BARTLETT. I have a copy of it in my hand.

Mr. GILLET. Then President Roosevelt, later, as I say, after preventing Congressmen from using the offices as a mere matter of patronage, classified all of the offices north of the Ohio, I think, and east of the Mississippi.

Mr. BARTLETT. Does the gentleman know what the date of that was?

Mr. GILLETT. The date does not make any difference.

Mr. BARTLETT. It was November 30, 1908, after the Republican candidate had been elected to the Presidency.

Mr. GILLETT. Then that was not to keep them from Democratic changes, was it?

Mr. BARTLETT. Oh, no.

Mr. GILLETT. That would be the intimation the gentleman would seem to indicate.

Mr. LLOYD. It was Mr. Taft who was elected?

Mr. GILLETT. Yes; it was Mr. Roosevelt's own choice that had been elected.

Mr. LLOYD. He regretted it afterwards?

Mr. GILLETT. Yes, certainly; but at that time his best friend had been elected to office. He had no personal ambition to gratify, no personal devotion to reward, and at that time he said that in future in that section of the country the fourth-class postmasters should be under the civil service.

Mr. LLOYD. Is it not true, as a matter of fact, that Mr. Roosevelt wanted to retain his own friends in office, and that that is the reason he made that order at that time?

Mr. GILLETT. I do not think it is.

Mr. LLOYD. So that Mr. Taft, when he came in after the 4th of March, could not change these postmasters?

Mr. GILLETT. I do not think it is, Mr. Chairman. I do not believe Mr. Roosevelt was actuated by any such purpose. I believe he and Mr. Taft were at that time most intimate friends, and I believe his purpose was a genuine belief in the civil-service principle and a belief that it would improve the administration of the fourth-class postmasters. He extended the service in the same way all previous extensions had been made.

Mr. LLOYD. Is not—

Mr. GILLETT. Please let me finish this. I want to state further that at the time, I confess, I thought he made a mistake.

Now, I have been a thorough believer all my life in the civil service, and I did not believe that the fourth-class postmaster was an official who could be best selected by an examination; but in this case, as in various cases where the system had been extended and where theoretically a man would say that an examination would not get the best man, in this case as in the other cases I think experience has proven that it was a good way and it got a better service than under the old system of patronage. Now I will yield to the gentleman.

Mr. LLOYD. Is it not true that where Mr. Roosevelt parted company with Mr. Taft was in the fact that Mr. Taft failed to keep the men in office that Mr. Roosevelt had in office, and he failed to carry out the policies which Mr. Roosevelt had said to the country he would carry out?

Mr. GILLETT. Mr. Chairman, I am not going to enter here into that question, for I think neither the gentleman nor myself knows the secret cause of the lamentable breach between those two distinguished men; I do believe that President Roosevelt issued that order, not for any partisan or selfish purpose, but he issued it for what he thought was for the good of the service.

Mr. BARKLEY. Will the gentleman yield?

Mr. GILLETT. I will.

Mr. BARKLEY. Is it the gentleman's opinion that these fourth-class postmasters were appointed originally as a reward for their political activities?

Mr. GILLETT. I think a good many of them were and a good many were not.

Mr. BARKLEY. Does not the gentleman think that the real spirit of the civil service put into effect will eliminate those who are not qualified and bring about a higher standard of service in those offices?

Mr. GILLETT. They can be eliminated to-day; there is no trouble about it if a man is not a proper official.

Mr. BARKLEY. I wish the gentleman would indicate to me how it can be done.

Mr. GILLETT. The gentleman shows his zeal—

Mr. BARKLEY. I want it done in a way so that it will give good service to the people and not be a reward for political services.

Mr. NORTON. Will the gentleman yield?

Mr. BARKLEY. The gentleman from Massachusetts has the floor.

Mr. NORTON. Has the gentleman talked to Postmaster General Burleson recently?

The CHAIRMAN. To whom does the gentleman yield?

Mr. GILLETT. I guess I will keep the floor myself.

Mr. BARTLETT. May I interrupt the gentleman?

Mr. GILLETT. Oh, yes.

Mr. BARTLETT. At the time President Roosevelt issued that order, on November 30, 1908, placing fourth-class postmasters in certain sections of the country north of the Ohio

under the civil service, what good reason was there for withholding from the operation of this beneficent law those down south of the Potomac?

Mr. GILLETT. Now, Mr. Chairman, I do not care to go into that [laughter on the Democratic side], because it is a delicate question, and of course I do not know President Roosevelt's reasons, and I will simply say I believe that it was out of a consideration for the South that he did it and not from any selfish or partisan consideration.

Mr. BARTLETT. I think so, and I think he did it out of consideration of the fact that the delegates to the Republican convention generally consisted of fourth-class and other postmasters.

Mr. GILLETT. I think the gentleman is mistaken there. I do not believe the fourth-class postmasters throughout the country or in the gentleman's region are very thoroughly partisan. I think they are by no means all Republicans who hold fourth-class postmaster places in Democratic States.

Mr. BARTLETT. Not when they get them, but they very often become Republicans afterwards.

Mr. GILLETT. That does not seem plausible; if they got them as Democrats, I think they will stay so.

Mr. BARTLETT. They are not very loyal Democrats in a great many instances.

Mr. GILLETT. One of the good results of President Roosevelt's policy, followed by President Taft, was that it made the postmasters less partisan and made their tenure depend on efficiency and not on partisan activity.

Mr. BARKLEY. You made the statement a moment ago that you did not think a better class of men could be obtained by holding these examinations than by covering them into the service without an examination. Now, will the gentleman explain how that can be done, and just what he meant by that?

Mr. GILLETT. What I meant by that was that the men who are now in the offices have the benefit of experience. The poor ones can be removed at any time by the Postmaster General. It does not require any new authority for that to be done, and the men who are in there now have had experience. Now, Mr. McIlhenny, the man who is going to carry out this scheme—

Mr. BARKLEY. Does the gentleman realize that vacancies are constantly occurring in these fourth-class post offices, and to fill these vacancies examinations are now being held under the civil service?

Mr. GILLETT. I appreciate that; and that obviates the need, so far as that goes, of any of those new powers. But Mr. McIlhenny, the chairman of the Civil Service Commission, when before the committee said that the rules contemplate that the actual test of fitness be given during the first few months of service as a probation. That is to say, the best test of a man's fitness is his experience in the office, and these men who have been holding these offices now for 10 years, under the rule of President Roosevelt that you could not displace a man for partisan purposes, have had that experience. Whether, under the rules, the Postmaster General will allow that experience to weigh heavily, I am not sure. I have great confidence and admiration for the Postmaster General as a wise and high-purposed man, but all of us who have been associated with him in this House know that he has that sense of partisanship which I am sure will endear him to that side of the House. I expect he is one of the men who wants the very best men in the service of his country, but he thinks the best men are to be found among the Democrats.

Mr. BARTLETT. He is a wise man.

Mr. MONDELL. There is no question that the appropriation the gentleman is discussing, of \$30,000 for examination, will give the Democratic brethren an opportunity at the fourth-class post offices. That is what it is intended for.

Mr. GILLETT. I suppose so.

Mr. MONDELL. It is practically admitted, as a matter of fact. Is not this a fact, that any one of the three highest names on the list may be appointed? There must be at least three Republicans better fitted for the office, according to the examination, than any Democrat in order that a Republican may be appointed under these rules?

Mr. GILLETT. That sounds logical.

Mr. LLOYD. That sounds logical, does it not, because that is the way it has been enacted heretofore?

Mr. GILLETT. They have not had the examination heretofore.

Mr. LLOYD. Prior to the 4th day of March, when you provided for the examination east of the Mississippi and north of the Ohio, did you not make the certification of the three to the Congressman and he chose from the three?

Mr. GILLETT. The Congressman never had anything to do with it, in my district at least.

Mr. MONDELL. Oh, no; we did not do that. That is what is being done now. The gentleman assumed that because it is being done now we did it under the Republican administration, but that is not true.

Mr. GILLETT. Mr. Chairman, will you kindly tell me how much time I have remaining?

The CHAIRMAN. The gentleman has consumed 50 minutes.

Mr. LLOYD. I want to make one observation with reference—

Mr. GILLETT. I can not yield to that.

Mr. LLOYD. With reference to the Postmaster General.

Mr. GILLETT. If the gentleman wishes to make an observation, I wish he would make it in his own time.

Mr. LLOYD. You made the statement yourself, and I do not think you wish to be unfair to the Postmaster General.

Mr. GILLETT. Certainly not.

Mr. LLOYD. The Postmaster General is undertaking fairly and honestly to administer the civil-service regulations in his department, and you will see that that is being done, if you will make inquiry, in reference to the post-office inspectors. There were 15 division inspectors and 1 chief inspector who were nearly all Republicans; he is now making an equal division, showing that he is endeavoring fairly and honestly to administer the law.

Mr. GILLETT. I have as much confidence and admiration for the Postmaster General as the gentleman has.

Mr. HARDWICK. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from Massachusetts yield to the gentleman from Georgia [Mr. HARDWICK]?

Mr. GILLETT. I will.

Mr. HARDWICK. Does the gentleman think it right, or does it accord with his idea of propriety, that thousands of fourth-class postmasters who never stood an examination in their lives, and who are all Republicans, should be covered in and allowed to stay there?

Mr. GILLETT. Why, Mr. Chairman, that is exactly what has always been done in extensions of the civil service by both parties, as the gentleman well knows.

Mr. LLOYD. Exactly. Does the gentleman think that ought to be allowed to stand?

Mr. GILLETT. Yes; I do. For 10 years those men have been there.

Mr. LLOYD. The Republicans have been there all the time.

Mr. GILLETT. By no means all Republicans.

Mr. BARTLETT. Permit me to say that the gentleman ought to have gone down during Mr. Hitchcock's administration and endeavored to get one appointed in his district, as I did, and see how many he could have appointed.

Mr. GILLETT. I do not suppose the Postmaster General consulted the gentleman any more than he did myself. I understand those appointments had ceased to be a matter of Congressional patronage.

Mr. BARTLETT. I will say to the gentleman that the Postmaster General did not consult me, but he did consult some one whom he called a "referee," who did not live in my district.

Mr. STEENERSON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. GILLETT. Yes.

Mr. STEENERSON. Is not the difference in this, that under the Republican administration the civil-service machinery was not used to create a vacancy in the fourth-class offices, but only to fill the vacancies, and that the rule that the gentleman spoke about, where the Congressman could show cause why the incumbent should not be reappointed was limited to appointments to presidential offices?

Mr. GILLETT. I am not sure about that.

Mr. STEENERSON. I believe that is correct.

Mr. GILLETT. Now, Mr. Chairman, there are some other items to which I wish to allude in further illustration of this Democratic simplicity and economy. The bill here, which the committee reports, is pretty good evidence of the administration's attitude. This new Democratic administration asks for something over \$8,000,000.

Mr. FITZGERALD. Nine million dollars.

Mr. GILLETT. The committee has granted something over \$3,000,000. Throughout this bill I have looked in vain for some indication by the Executive of obedience to the command of the Democratic platform that these useless offices should be eliminated. Not one has been suggested in the recommendations that have come to us. Instead of that, many increases have been suggested, from, I think, all the departments. The Treasury Department asks for a very large increase of force. In the Interior Department there was a modest request of \$50,000 for a board of lawyers outside of the civil service, to be

appointed as a board of appeals—an excellent opportunity for patronage. In the Department of Commerce they asked for \$100,000 for agents, to be appointed outside of the civil service, and the committee very generously, and unwisely, as I believe, gave them \$50,000.

Mr. BARTLETT. Mr. Chairman, may I ask the gentleman a question?

The CHAIRMAN. Does the gentleman yield?

Mr. GILLETT. I have not the time. I am sorry. I have only a moment more.

Mr. BARTLETT. That was in pursuance of an act of Congress that we appropriated that money.

Mr. GILLETT. Oh, no.

Mr. FITZGERALD. I will say to the gentleman that that is not outside the classified service.

Mr. GILLETT. I understand it is outside the classified service. I took the pains to telephone to the department, and found out that it was.

Mr. FITZGERALD. The official who informed the gentleman to that effect was probably some incompetent Republican holdover. [Laughter.]

Mr. GILLETT. Then I do not suppose he will hold over long. [Laughter.]

Mr. ELDER. He ought not to.

Mr. GILLETT. I suppose this force is intended to carry out the extraordinary suggestion which Secretary Redfield made, to the effect that in the hard times coming under a Democratic tariff if any Republican manufacturer goes to the wall the Secretary will send out one or more of his agents to ascertain that the manufacturer did not suffer on account of the Democratic tariff, but for lack of skill and economy and unscientific management in the administration of his business affairs. I have no doubt these agents selected outside of the civil service will always be able to find explanations for any business failure which will exempt the Democratic administration from responsibility. I think it is a wasteful appropriation, but it is a good illustration of the fact that this administration is increasing and not reducing offices, as pledged by its platform.

The Department of Commerce also wanted for its solicitor exactly the same force that it had before, although the Department of Labor has been taken away with all its bureaus. I was rather amused to note that one of the duties that this solicitor said he was performing was framing bills for Congress. As I remember, in the last administration great indignation was expressed in Congress because the administration undertook to frame bills and submit them to Congress for enactment.

But that is another instance where the Democratic Party has changed its point of view, for we have certainly seen enough already under this administration of Executive influence on Congress to close the mouths of that side of the House from any such criticism.

The Attorney General, among other requests, wished to increase the salary of an assistant from \$7,000 to \$9,000. The committee gave it to him. No reductions of salaries were anywhere recommended, only increases. There are many of these appropriations which I do not criticize. I think they are wise. I think this for the Attorney General was wise, and I voted for it; but the purpose of my comments is to point out the inconsistency of the conduct of the Democratic Party after election and before election, the absolute refusal on their part to follow the promises which they made in their platform, and which they gave us in the House, and the apparent absolute indifference of the administration to any economies which might be suggested.

Take the Department of Labor. The administration recommended to us that we grant to the Department of Labor two automobiles; \$5,000 for the Secretary and \$2,500 for an electric automobile for the family. Personally I was in favor of giving the Secretary an automobile. I believe that is the modern mode of conveyance; but I recognize that it is a little more consistent for that side of the House, after all the denunciations we have heard them make in the past about the abuses by Republican officeholders with carriages and horses, not to vote an automobile for the new department. So the Secretary of Labor must be content with the old system of horses and carriages.

As I say, I do not criticize many of the requests of the administration in this bill, but what I wish to point out and enforce is that so far there has not been a single suggestion by the administration that it was paying any attention to the pledges on which it was elected. As Mr. PALMER quoted in his speech from all the Democratic platforms of the last 12 years, they have claimed to be the party of simplicity and economy, and so I looked for this administration, in this first opportunity, to show some evidence that they stood on their platform pledges, and that they are not merely a humbug and pretense; but as in so many other cases I suspect that after they have been elected

the platform is forgotten, and they will continue to perpetrate and probably exaggerate the very abuses for which they have so fiercely and tempestuously reviled us. [Applause on the Republican side.]

Mr. FITZGERALD. Mr. Chairman, the gentleman from Massachusetts [Mr. GILLET] covered so much ground that I have no doubt it was purely through inadvertence that he omitted to call attention to a very striking illustration of this administration effectively performing promises made to eliminate useless offices. On page 419 of the hearings before the Committee on Appropriations, while Mr. Harris, the Director of the Census, was being interrogated, the following occurred:

Mr. BARTLETT. I have heard that there was a \$3,000 official in the Census Office who did not do any work, and that you dispensed with his services?

Mr. HARRIS. When I took charge of the bureau I found that Mr. Allen was drawing a \$3,000 salary, and I could not find that he had done any work for two years. He never reported there. Of course we dispensed with his services the first week.

The CHAIRMAN. What was his position?

Mr. HARRIS. Mr. Allen was a patent expert. He had been occupied in regard to the bureau's mechanical appliances and in a lawsuit the Government had with the people who claimed that their patent rights had been infringed.

The CHAIRMAN. The tabulating machines?

Mr. HARRIS. Yes; but that had been settled for some time, and I saw no necessity for his services.

Secretary REDFIELD. Mr. Harris, did you find a man employed in New York as a special agent?

Mr. HARRIS. We found that one of the divisions in the office was in charge of a Mr. Hourich, who lives in New York, and he would come down one or two days. He was supposed to have charge of the work connected with mines and mining. In fact, he did not wish his division chief to have anything to do with it; he wished to manage it directly.

The CHAIRMAN. Is that the man who wrote a book in which he compiled and condensed the report of the Immigration Commissioner?

Mr. HARRIS. Yes.

The CHAIRMAN. He was supposed to be employed in the Census Office?

Mr. HARRIS. Yes. Since then I have proposed to enter into a contract with him to complete that work for a certain amount instead of leaving it to him to say what time he should work and what pay he should receive for expenses, etc. He was also allowed a stenographer.

Secretary REDFIELD. You found that he was doing business in New York?

Mr. HARRIS. Yes.

Mr. BARTLETT. And drawing pay from the Government?

Mr. HARRIS. Yes; for this extra work. He was allowed to work on Sundays.

Mr. GILLET. Was he paid a salary or a per diem?

Mr. HARRIS. A per diem. He was doing the work there and we had no way of telling just what he was doing.

Mr. BARTLETT. How long did Mr. Allen continue without doing any work?

Mr. HARRIS. There is no record in the office to show that he did anything for two years.

Mr. HASTINGS. He worked in connection with an invention for improved mechanical appliances.

Mr. BARTLETT. There was no report from him?

Mr. HASTINGS. No written report whatever.

Mr. HARRIS. That had been settled two years before. I could not find that he had done anything for two years.

Secretary REDFIELD. His services were dispensed with?

Mr. HARRIS. Yes, sir.

Mr. Chairman, I know it was purely a matter of inadvertence that the gentleman from Massachusetts, in his very instructive speech, omitted to call attention to this very significant conduct of the Census Office under the recent Republican administration.

Mr. DONOVAN. Is the Mr. GILLET mentioned there the Member of Congress from Massachusetts?

Mr. BARTLETT. Oh, yes; he was a member of the subcommittee.

Mr. DONOVAN. It was the same Mr. GILLET, of Massachusetts?

Mr. FITZGERALD. The same gentleman. [Laughter.]

I yield the remainder of my time to the gentleman from Missouri [Mr. BORLAND].

Mr. BORLAND. Does the gentleman from Illinois [Mr. HINEBAUGH] wish to use 10 minutes?

Mr. HINEBAUGH. Yes.

Mr. BORLAND. I want to yield five minutes first to the gentleman from Georgia [Mr. BARTLETT] and then I will ask the gentleman from Illinois [Mr. HINEBAUGH] to use a part of his time.

Mr. BARTLETT. Mr. Chairman, I intended to wait later in the discussion of this bill under the five-minute rule to say something in reference to this civil-service proposition regarding fourth-class post offices. This matter I regard as a kind of deception and a snare, and as far as I am concerned I do not hesitate to declare that instead of appropriating \$39,000, as we do in this bill, to hold examinations to determine whether men are fit to be appointed to the position of fourth-class postmasters, by the Civil Service Commission and post-office inspectors, I would revoke the order made by President Roosevelt on November 30, 1908, and the Executive order by President Taft, October 15, 1912, and the modification of that order by

President Wilson, and have these postmasters appointed on the recommendation of Congressmen.

I give gentlemen on this side and on the other side notice that they will have an opportunity to vote for the repeal of these orders, because it is in order on this bill, and we will save the Government \$39,000. It is true that President Roosevelt inaugurated it on the 30th of November, 1908, after Mr. Taft had been elected, at the very time Postmaster General Hitchcock, who had conducted the campaign and was on the Republican national committee, was Postmaster General. He remained Postmaster General until the 4th of March, 1913. I say it without fear of successful contradiction that, so far as my part of the country is concerned, the post offices and other Federal offices were used as machinery to obtain delegates to the Republican national convention in the years that the Republican Party was in power.

I have instances of it where postmasters requested to be appointed, indorsed by the patrons of the office, were turned down and refused appointment, and the only reason finally given was that one of the delegates from that district to the Republican national convention had recommended another, and that delegate, in order to be held in line in Chicago, had to be placated by the appointment of the person he had recommended.

It is true that Mr. Roosevelt inaugurated it in order to have Mr. Taft nominated in 1908, and he himself had been the beneficiary, under the skillful guidance of the Postmaster General, who was at the time the chairman of the Republican national committee. Then when the prospect of defeat in 1912 was so clear that he who ran might read and the wayfaring man, though a fool, could not have erred therein they placed the 36,000 fourth-class postmasters under civil service, and the only opportunity that we will have to have men who represent the people appointed is under the modification of this order by President Wilson.

As far as I am concerned, I am ready now to vote, as I have voted before, to revoke the whole business and put the appointment of the fourth-class postmasters where it belongs, in the hands of the Postmaster General, and I will go further and say upon the recommendation of the Representatives of the people in Congress. [Applause.]

Mr. BORLAND. Mr. Chairman, I understand the gentleman from Illinois is entitled to some time in opposition, and I will ask him to use some of that time.

The CHAIRMAN. The gentleman from Illinois is in control of one hour which the minority has.

Mr. HINEBAUGH. Mr. Chairman, I will yield 10 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Chairman, I have listened with great attention to the labored argument of an hour's duration by the learned gentleman from Massachusetts [Mr. GILLET], in which he laid down the proposition that the Democratic Party at the present time has thrown down all doctrines of economy and is embarking on an extravagant and wasteful career. We also listened to the distinguished gentleman from Georgia quoting Scripture in his effort to show that the Republican Party when in power did exactly what the Democratic Party is doing now, and we are willing to admit both contentions. The subject matter of this bill is a different proposition, however. It is not a matter of party history, because both parties have degenerated in a large degree from the real purpose of parties in this country, and instead of a government through parties they uphold a government by parties and for parties. We are simply hearing the results of that attitude in this debate to-day. The title of this bill is that it is to make appropriations to supply urgent deficiencies in appropriations, and yet I notice in one part of the bill, on page 18, there is a matter which seems to me is not for urgent deficiencies, but is a matter of new legislation and added expenditure. It comes under the heading "Department of Justice," and the paragraph is as follows:

Office of the Attorney General: For salary of the Assistant to the Attorney General, which is hereby fixed at the rate of \$9,000 per annum; in addition to the \$7,000 heretofore appropriated, for the fiscal year 1914, \$2,000.

That is an item inserted in this deficiency appropriation bill. It is not a matter of party procedure, and the gentleman from Massachusetts [Mr. GILLET] in all his argument only endeavors to prove that the Democratic Party is doing exactly what the Republican Party had done and would do again. It is not a matter of one party's action. I want to point out that it is a matter of tendency and has been the consistent tendency from almost the time of the establishment of the Government. Let us take the Attorney General's office, for example, and see the increases in salary. It gives the key to all of the extravagance to be charged against successive administrations. I role

that in 1789 the first law was passed regarding the salary for the Attorney General of the United States, which was fixed at \$1,500 a year. That amount lasted only until 1791, when the salary was made \$1,900 a year. Then it was made \$2,300 a year in 1792, and in 1797 it was increased to \$2,800. In 1799 it was made \$3,000 and in 1819 it was increased to \$3,500, and on February 26, 1907, the increase was to \$12,000, making the increase in salary from \$1,500 at first to \$12,000 at the present time. In this bill we have an Assistant Attorney General's salary raised to a point where it is more than the amount the Attorney General received in toto in the first case. The increase alone in this bill is more than the entire salary that the Attorney General received in the days when this Government was being formed. That is true not alone of the Attorney General's office, because I would have you notice that in the Secretary of State's office the increases have been from the first original amount of \$3,500 a year up to \$12,000 a year through various salary grabs at different times. The salary of the Secretary of the Treasury has been increased from \$3,500 to \$12,000, the Secretary of War from \$3,000 to \$12,000, the Secretary of the Navy from \$3,000 to \$12,000, and the Postmaster General from \$1,000 to \$12,000.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. Certainly.

Mr. BARTLETT. It is true that up to 1908, or rather up to March, 1908, the salaries of Cabinet officers were \$8,000?

Mr. KELLY of Pennsylvania. The bill was passed on the 26th of February, 1907, making it \$12,000.

Mr. BARTLETT. I thought it was 1908.

Mr. KELLY of Pennsylvania. In 1907; and that was continued in every department.

Mr. BARTLETT. Except the Secretary of State's office; and the Secretary of State at that time was allowed to receive \$8,000 during the term to which he had been elected to the Senate, and the change was made as to the Secretary of State's salary with the understanding that it was not to be an increase, but as soon as the term to which he had been elected to the Senate expired the Republicans increased the salary to \$12,000.

Mr. KELLY of Pennsylvania. Certainly; and that was only a measure of deception.

Mr. BARTLETT. I for one did not vote for any of these things.

Mr. KELLY of Pennsylvania. However, that has nothing to do with it. Individual judgment is not under consideration, but the result of such legislation is, and that legislation was continued by giving the Secretary of State and every other Cabinet officer a salary of \$12,000 a year. The Secretary of the Interior, an office created at a later date, was increased in salary from \$6,000, in 1849, to \$12,000, in 1907.

Mr. GARNER. But the gentleman does not give the connecting link between \$6,000 and the \$8,000. Cabinet officers received \$8,000 for a number of years.

Mr. KELLY of Pennsylvania. Yes; in 1853 a bill was passed making the salary \$8,000. I did not give those connecting links, but in all the departments there were links connecting the successive increases. Also the Secretary of Commerce and Labor was given \$8,000 in 1903 when the department was created, and his salary was raised to \$12,000 later.

Mr. GARNER. Mr. Chairman, will the gentleman yield for another question?

Mr. KELLY of Pennsylvania. Certainly.

Mr. GARNER. Does the gentleman believe that now Cabinet officers are receiving more money than they should receive?

Mr. KELLY of Pennsylvania. Certainly I believe they are, Mr. Chairman, in spite of the fact the distinguished premier of the Cabinet and the peerless leader of the Democracy can not live on the sum of \$12,000 a year. I note in the hearings on this "urgent" deficiency bill that the argument advanced by Attorney General McReynolds for the increase of the salary of his first assistant from \$7,000 to \$9,000 is on the same ground, that he can not live on \$7,000 in the city of Washington. I would like to know what the standard of measurement is to be concerning a living wage in Washington officialdom.

Mr. JOHNSON of Washington. Will the gentleman from Pennsylvania state what he thinks to be a fair salary for the Secretary of State?

Mr. KELLY of Pennsylvania. I would assure the gentleman from Washington that I have my own opinion. I said in answer to the other question that \$12,000 was more than sufficient salary. I would not want to set any definite figure, but I would set the figure considerably under \$12,000 a year.

Mr. BARTLETT. From the foundation of the Government, with very rare exceptions, we have gotten the head of the profession in the United States in the office of the Attorney General at this small and at smaller salaries.

Mr. KELLY of Pennsylvania. Yes, sir; that is absolutely correct.

Mr. BARTLETT. From Randolph down to P. C. Knox.

Mr. KELLY of Pennsylvania. It was not a matter of cash payment for their service, but because they could serve with faithfulness and patriotism the country they loved, and therefore were willing to sacrifice something instead of clutching at every dollar they might grab from the Public Treasury.

Mr. BARTLETT. Esteeming it an honor to belong to a noble profession, they illustrated their patriotism in serving their Government.

Mr. KELLY of Pennsylvania. I thank the gentleman from Georgia for putting the matter so clearly and well. I am making the point that after all we have to recognize the relation between salaries of those in high official circles and the average man down on the street who is compelled to face the cost of living just as well as the First Assistant Attorney General. When the Attorney General comes before a committee of this House and says that his assistant can not live on \$7,000 a year, and when the Secretary of State publishes that he can not live on \$12,000 a year, we have the right to say that the cost of living is a question facing others than themselves.

Mr. BARTLETT. If the gentleman will allow me to interrupt him again. Of course I understand the gentleman's position, but it is a fact, however, that these salaries of heads of departments, Cabinet officers, were \$8,000 for quite a number of years and were changed by a Republican administration upon a vote that most of the Democrats voted against. That is true.

Mr. KELLY of Pennsylvania. Certainly; without a doubt. No one can deny that proposition; but you see the situation to-day, when conditions are reversed.

Mr. BARTLETT. I understand the gentleman's position.

Mr. KELLY of Pennsylvania. I want to say that this tendency is one of all parties. It is not an offending of the Republican Party alone or the Democratic Party alone. It is an ever-increasing tendency down through all departments of government, and that is the point that is worthy of our consideration. It is not only in the case of these executive departments, but also in the legislative department, because the salaries of the Members of this House, formerly \$6 a day and only while they were in active service, now amount to \$7,500 a year. There have been increases in the judicial department—Chief Justice from \$4,000 to \$13,000 and associates from \$3,500 to \$12,000. In the executive department the salary of the President has been raised from \$25,000 to \$75,000 a year and with \$25,000 additional for expenses. The Vice President's salary has been raised from \$5,000 to \$12,000.

Mr. BARTLETT. If the gentleman will pardon me again, that \$25,000 salary was accorded on a kind of promise, or it was held out, at least, that the \$25,000 increase in salary would be in lieu of \$25,000 for traveling expenses, and I am an offender again in that particular, as I voted against both propositions.

Mr. KELLY of Pennsylvania. The gentleman deserves congratulation, it seems to me, on that stand. But that has nothing to do with the fact that the result comes back to the people of this country. They are facing the cost of living just as much as the Secretary of State and the Assistant Attorney General. The income of the average man in this country who works with his hands and does the labor of this land is \$435 a year, and yet we dare stand before them, the men who give this Nation its strength and its riches, and tell them it is impossible to live on \$7,000 a year. It is brazen effrontery to say the least.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HINEBAUGH. I yield five minutes more to the gentleman.

Mr. ROBERTS of Nevada. Will the gentleman yield?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Nevada?

Mr. KELLY of Pennsylvania. I do.

Mr. ROBERTS of Nevada. I would like to know of the gentleman if he is in favor of cheap labor and a grape-juice administration. He said some time ago that the Attorney General was allowed \$1,500. That was at the beginning of the Government, was it not?

Mr. KELLY of Pennsylvania. Certainly.

Mr. ROBERTS of Nevada. The gentleman knows how much the Government has increased up to this time, does he not? At that time we had very few people, while at this time we have nearly 100,000,000 people.

Mr. KELLY of Pennsylvania. I do not know anything about the "grape-juice" administration that is spoken of, but I was talking of the cost of living as applied to the average man more than to those individuals in high office who are drawing \$1,000 a month.

The average man in this country to-day, as you know, has an income of \$435 a year, and that is including all wage earners as tabulated in the census report. They make less than \$40 a month, and are brought face to face with the statement in their lawmaking body that the Secretary of State can not live on \$12,000 a year, and the Assistant Attorney General can not live on \$7,000, but must have the \$9,000 which is provided in this bill. I simply want to draw attention to the fact that all of these salary grabs are paid by the people. We talk of the Treasury of the United States as though it was some kind of a golden stream, and all that is necessary is to tap it and draw out a certain amount. And we bring in a deficiency bill of \$3,000,000, and it is passed without attention. Let me say to you, gentlemen of the committee, that every dollar that goes into that Treasury comes out of the pockets of the people in some way or other. You can not possibly, by mere ledger-deman or hocus-pocus, draw money out of the Treasury without putting it in there through tax or some way or other first. Yet new burdens are laid on the people to pay salaries which are exorbitant in every degree. The Members of the House should remember that the salary grabs of the past have only led to added increases, and that they are setting up a standard, as suggested by the gentleman from Georgia, to which others will be brought. If you pay this \$9,000 salary to the first assistant, you will raise other salaries. You have a solicitor in that department who is drawing \$10,000 a year, which is more than all members of the Cabinet drew when Washington became the first President. Therefore, it seems to me in all justice this paragraph should be stricken out. This new legislation which is asked to be inserted in here should be stricken from this bill, and the amount left at \$7,000, which is more than fair.

Mr. BARTLETT. The gentleman will do the committee the justice of saying that, while we were appealed to to grant about \$9,600,000 worth of claims as deficiencies, we reported only about one-third of the demand upon the committee?

Mr. KELLY of Pennsylvania. Yes; and that is worthy of credit.

Mr. GARNER. The gentleman will observe that the rules of the House give him the power to prevent this increase.

Mr. KELLY of Pennsylvania. If it is possible to introduce an amendment to strike this out, I will be glad to do it.

Mr. GARNER. I think a point of order against the increase in salary, under the rules of the House, will be sufficient to take it out of the bill.

Mr. KELLY of Pennsylvania. Regardless of the point of order which might be raised against it, as a matter of individual decision every Member of this House ought to put the purpose of fair dealing and justice in legislation at the front and vote as his conscience dictates on this item.

It is only justice, for there are other things to be considered than a declaration that a man can not live on \$7,000 a year. I count of vastly more importance the situation which is due in part to these high salaries, a situation where the average man of the most powerful and wealthy Nation in the world can not keep his family in a manner befitting an American citizen; can not educate his children as they should be educated; can not lay up a penny for the days of old age.

I am convinced that the men who are forced by bitter necessity to practice the closest economy in their homes will not stand much longer for the burdens imposed by governmental extravagance. To-day the average family contributes \$50 a year in taxes to the support of the Government, and that means more to the average family than to the average executive department official.

But even that is not enough, for here is a deficiency bill appropriating more than \$3,000,000, and this one paragraph adds \$2,000 to one salary. Little wonder that there is perpetual need for deficiency bills.

It is time to call a halt on reckless expenditure of public funds. The sphere of government will without doubt be widened in the coming years. Instead of a policeman's club it will become an instrument for the promotion of the general welfare; instead of trying always to cure evils it will enter upon the field of prevention.

That is all the more reason why every dollar should be wisely spent and why in fixing salaries some regard should be paid to their relation to the income of the average man, whose social condition and opportunities and standard of living, after all, set the mark for the Nation.

Mr. BORLAND. Mr. Chairman, I understand the gentleman from Illinois [Mr. HINEBAUGH] wants to yield time to the gentleman from Washington [Mr. HUMPHREY].

Mr. HINEBAUGH. Yes. I yield 30 minutes to the gentleman from Washington [Mr. HUMPHREY].

The CHAIRMAN. The gentleman from Washington is recognized for 30 minutes.

Mr. HUMPHREY of Washington. Mr. Chairman, I desire to thank the gentleman from Missouri [Mr. BORLAND] for his courtesy in permitting me to speak now.

When the Diggs-Caminetti case was under consideration a few days ago my colleague, Mr. BRYAN, took advantage of the 20 minutes that was extended to him to make a speech in regard to the disturbance that recently occurred in Seattle between the Industrial Workers of the World and soldiers and sailors and certain citizens of Seattle. He has given this speech wide circulation, sending out thousands of copies into the State of Washington. I greatly regret that he has seen fit to take this action. In my judgment, his speech was most untimely, ill-tempered, and uncalled for. I can not believe that any good will come from giving this wide publicity to the affair. It was not a matter that in any way concerned Congress. I can see no justification for this speech, unless it was to furnish the mayor of Seattle the opportunity to defend himself by circulating it at Government expense. I doubt if a Member of this House is ever justified in doing this for anyone, and especially about a matter not before Congress. However, this is a question that must be left to the sense of propriety and judgment of each Member.

While such utterances as my colleague made has no effect here, where their value and their purpose is well understood, yet often they may, to a certain extent, mislead the public. I am convinced that the wide circulation given this speech has done great harm. It has attracted wide attention to the affair. It has increased and intensified local feeling in Seattle. The delivery of this speech is especially to be regretted, because it has led those industrious patriots, the Industrial Workers of the World, to believe that they have a champion and defender in the Halls of Congress. This can but encourage them to further acts of lawlessness and treason. These disreputable agitators have an insane desire for notoriety, and the delivery and circulation of my colleague's speech has flattered and pleased them greatly.

My colleague devoted a large part of his speech to attacking certain persons in private life, some of whom were in no way whatever connected with the trouble. But he was especially unbridled in his denunciation of Col. A. J. Blethen, owner of the Seattle Times. He also published, as a part of his remarks, a long letter attacking Col. Blethen written by the mayor of the city of Seattle.

Although he asserted many times, as he always does, that he wanted to be fair, my colleague did not give nor attempt to give but one side of the controversy. Inasmuch as these attacks are not only personal upon Col. Blethen, but attempt to fix the responsibility for the riots upon the articles published in the Times, common fairness demands that the other side of the controversy be made public.

If this is a matter that must be paraded before this House, then both sides should be heard and Congress should know the truth.

A resolution has been introduced both in the House and in the Senate to investigate the affair. Those who claim to have lost property as a result of the disturbance are asking damages against the Government, and their representative is on his way here to press these claims. I am absolutely convinced that the only result of the introduction of these resolutions will be to encourage these unsavory agitators and give them a much-desired publicity, and I believe that this was the main purpose of the introduction of these resolutions. Yet this has been done, and it places upon me the duty, however unfortunate or distasteful, of placing before Congress, in so far as I can, the facts in the matter.

Now, Mr. Chairman, I ask unanimous consent to extend my remarks by inserting in the Record certain newspaper editorials and items in regard to the affair.

The CHAIRMAN (Mr. ALLEN). The gentleman from Washington [Mr. HUMPHREY] asks unanimous consent to insert certain matters in the Record. Is there objection?

There was no objection.

Mr. HUMPHREY of Washington. Mr. Chairman, I very much regret that my colleague [Mr. BRYAN] is not present. I dislike to deliver a speech of this character in his absence. But inasmuch as he is not here and a good portion of this speech refers to local conditions, I shall ask unanimous consent to extend that portion of my speech in the Record.

The CHAIRMAN. The gentleman from Washington [Mr. HUMPHREY] asks unanimous consent to extend another matter in the Record in connection with his speech. Is there objection?

Mr. FOSTER Is that in reference to the gentleman from Washington [Mr. BRYAN], the gentleman's colleague?

Mr. HUMPHREY of Washington. It refers to his speech.

Mr. FOSTER It is nothing more than that?

Mr. HUMPHREY of Washington. It refers to his speech and to certain attacks which he made on people residing in the State of Washington.

Mr. FOSTER Is this a personal attack upon the gentleman's colleague?

Mr. HUMPHREY of Washington. It is not a personal attack.

Mr. FOSTER It is just an answer to his speech?

Mr. HUMPHREY of Washington. Yes.

The CHAIRMAN Is there objection?

Mr. HUMPHREY of Washington. I regret very much the gentleman's absence, but I do not feel like taking up the time of the House in discussing a personal matter unless the gentleman concerned is here.

Mr. FOSTER The only objection is to putting any matters of that kind into the RECORD in the absence of the Member concerned.

Mr. HUMPHREY of Washington. If the gentleman from Illinois has any objection I will not read it. I am simply asking this because my colleague is not here, very much to my regret.

Mr. FOSTER I shall not object.

The CHAIRMAN The gentleman from Washington may proceed.

Mr. HUMPHREY of Washington. As to the action of my colleague in attacking various persons in private life here upon the floor of the House, where he has the protection of the Constitution thrown about him and can not be called to account elsewhere for what he may say, one of the highest privileges that the Government can confer, I do not care to comment. Such action is perhaps justifiable when a Member has been personally attacked, and it is to be commended if it is necessary in the public interest to prevent or secure legislation. But under ordinary conditions, for mere political purpose, or personal animosity, or to defend some one else, should a Member, under the protection given him, denounce and assail a citizen in private life? This is a question that each Member is called upon to decide for himself, and it must be left with the House and the people of the country to judge whether it is a courageous thing, a manly thing to do, and whether or not it commands their admiration and respect.

It was with great regret that I found that in order to defend the mayor and the Industrial Workers of the World my colleague found it necessary to assail and denounce almost everything and almost everybody in the State of Washington. He found it necessary to attack the Democratic Party and the Republican Party. He found it necessary to reflect upon the good name of his State. He found it necessary to blacken the reputation of the city of Seattle. He found it necessary to declare that the courts of the State of Washington were corrupt. He found it necessary to denounce private citizens. He found it necessary to condemn the men that the people had honored by electing them to office. He found it necessary to reflect upon the soldiers and sailors of the United States. He found it necessary to insinuate that the Secretary of the Navy had made an ill-tempered speech. He found it necessary to denounce almost everything and everybody, except the Industrial Workers of the World and their sympathizers. These noble patriots, preachers of social justice and followers of the red flag, alone escaped his wrath.

He would have you believe that Seattle has been worse than the wicked cities of old that by divine decree were blotted from the face of the earth for their iniquities, and that the State of Washington for years has been controlled by a band of crooks and grafters. He charges in so many words that the courts of Washington have been corrupt and controlled by corporations and money; that the governors have been dishonest and the pliant tools of the same interests sitting ever ready to pardon any criminal that might, as he says, be by "judicial accident" convicted. He says that United States Senators have been bought and sold. What monstrous charges these are if not true.

Is it true that the people of Washington have been so stupid or dishonest that they have elected scoundrels or weaklings from the time it became a State up until a few months ago, when in a moment of moral regeneration and mental awakening they elected my colleague? Let me read the honored names of some of the distinguished men who have received the people's confidence in the State of Washington.

The governors have been Elijah Ferry, John H. McGraw, John R. Rogers, Albert E. Mead, and Samuel G. Cosgrove.

These are the men that the people of the State of Washington have honored by electing them to the office of governor. Henry McBride and Marion E. Hay came into office by the death of the elected governor. The men that I have mentioned are the men that my colleague would have you believe were ever ready to favor the criminal that a corrupt court might by accident permit to be convicted.

I challenge the history of this Republic to show a more splendid line of governors in any State of the Union. These men were of that grand type of pioneers that have made the Pacific coast the marvel and the admiration of the modern world. They were men of courage and of patriotism and of devotion to their State, men of the highest reputation and unblemished integrity. Never until it was uttered on the floor of this House by my colleague did I ever hear friend or foe reflect upon their honor. I challenge the gentleman now to point to a single blot on the record of any man that ever sat in the governor's chair in the State of Washington. I ask him to give the name or the names of those who were ready to carry out corrupt bargains by peddling pardons. I ask him in the name of justice to the two now living, and the four that were elected and have passed beyond, to name the crooks that have disgraced and dishonored the governor's chair in the State that has honored him and honored me.

He says that United States Senators have been bought and sold, and by specifically excluding from this list the present junior Senator he by implication includes all the others. Who are the men that my colleague, with his cry for "fair treatment" and his demand for "justice for all," has upon the floor of this House asserted have been bought and sold? Is it the Hon. WESLEY L. JONES, who was for many years an honored and esteemed Member of this body; a man as universally respected as any man that was ever a Member of either the House or the Senate; a man that has given as conscientious and honest service to his country as any living public servant; a man whose public and private life is as clean as that of any man that ever walked beneath the Dome of this Capitol? Has he been bought and sold?

Who are the others? Watson C. Squire, Levi Ankeny, Addison G. Foster, Samuel H. Piles, distinguished Republicans. George H. Turner, a distinguished Democrat.

These men are still living and are capable of defending themselves and need no eulogy from me.

Two men who have served my State in the Senate are no more and can only speak through those who live:

The Hon. John B. Allen, a man of great ability and spotless reputation. Surely no man would defame him.

The Hon. John L. Wilson, a man of great talent and tremendous energy and industry, and I never heard his integrity questioned before or since his death by personal or political friend or foe except here upon the floor of this House by my colleague, Mr. BRYAN. Which of these men that are dead were bought and sold? Let the name be given and not blacken the memory of both.

I feel that I should mention two other names of the many public men that have served my State with distinction and highest honor. One was Judge R. O. Dunbar, who was a member of the supreme court from the time of its admission as a State until his death a short time ago—a just judge, an honest man, a true servant of the people, and universally respected and mourned.

The other, my late colleague, the loved and brilliant Francis W. Cushman. I never knew a man that revered his country more or more faithfully or with a higher purpose served his State and country.

I have given the names of the men who have been indicted by the insinuations of my colleague when he says, referring to the State of Washington, that United States Senators were bought and sold, pardons were peddled, and that the public men of Washington were dishonest and corrupt. I ask him to be specific in his charges. I ask him to give the names of the men that have disgraced and betrayed the people of my State. I demand that he do this or apologize for his statements. I appeal to him in the name of common justice and common decency, in the name of the memory of the dead and fairness to the living, to give the names and not cast over the reputation of all these men that the State of Washington has loved and honored the putrid filth of slimy insinuation.

My colleague should remember that he has been honored by the State of Washington by a seat in the highest legislative body in the world. He must realize that his words, owing to his position, have a certain weight throughout the country. This responsibility should sober him, and he should not in a moment of hysteria or political frenzy, in order to protect his

friends, make such unbridled accusations against the people of his own State and the men that they have honored unless he stands ready to produce the facts.

My colleague would have you believe that the whole body politic in the State of Washington for years was a malignant cancer and a festering mass of corruption. When the people have an opportunity to express themselves directly it is not often that they for any length of time select men that do not represent the average intelligence and honesty of the voters. If they do, then popular government is a failure. During the time when he would have you believe that graft and dishonesty completely dominated the politics of that State Hon. W. L. Jones and the late Francis W. Cushman represented that State for 10 years in this body. For six years of that time I also had the honor to be sent here by the powers of crookedness and corruption. If W. L. Jones and Francis W. Cushman were crooked and corrupt; if they represented the powers of "pillage and special privilege"; if they were enemies of the people and a disgrace to the State, then I ask the odium of being placed in the same class. No doubt my colleague can explain how a State so completely in the power of darkness, so absolutely controlled by the forces of evil, could elect such men as they did for governor and Members of Congress. This State, so boss ridden and money controlled; so absolutely dominated by the influences opposed to liberty, to decency, and independence; so crushed by the foul and criminal hand of special privilege, at the very moment it touched the uttermost depth of infamy gave to Theodore Roosevelt the largest majority, according to population, of any State in the Union.

According to my colleague, Col. Roosevelt is the sinless saint of American politics, the anointed prophet of the people, the sanctified emblem of purity and holiness.

How could the people in the State of Washington be so depraved in many things and so divine in one?

Another thing. During most of these years of political depravity the Republican Party controlled the State of Washington. My colleague was a member of that party and held office in it. Why did he not denounce it then as he does now? Is it possible that while he was a member of the Republican Party his moral perception was so dulled that he did not see any of this universal corruption, and that he had attached himself to a salary and an office in another party before he was able to realize this awful condition?

For 20 years I have been a resident and a citizen of Seattle. I am proud of that fact every day that I live. During these two decades the growth and development of Seattle has been one of the marvels of the modern world and not surpassed in all the records of civilization. The growth of our schools and churches and all that is best in Christian civilization has kept pace with our material development.

Seattle is the cleanest and the healthiest city in America, and spends more per capita to educate her children than any city in the world. Seattle does not have to-day, and never has had, a slum section—a proud distinction of which few cities in this world can boast. Seattle was not built upon a foundation of corruption and dishonesty.

Seattle, all conditions considered, has been as well governed and as free from vice and crime as any city in America. Such achievements are not the triumphs of crooks and grafters.

Many of the very best men and women that the world could furnish have been attracted to our country. No State in the Union ever had better citizens of higher average intelligence and integrity and honor than has the State of Washington. No State has had courts freer from corruption or dishonesty or improper influence.

The gentleman proudly prates about the primary law and equal-suffrage law. They are both upon our statute books, but the only thing his party ever had to do with them or with any other law in the State of Washington was to loudly try to claim credit for those that were popular after the Republican Party had passed them. It is true that the State of Washington has upon its statute books as many laws for the general good, and especially in the interest of the weak and poor and of the laboring classes, as any State in the Union. In fact, I believe that it is true that in the true sense of the word that the State of Washington has more progressive legislation upon her statute books than any State in the Union, but not a word or line of any one of these laws was written there by the so-called Progressive Party. Not one.

I have known my colleague for many years and we have always been friends and I have always had great respect for him. I regret most sincerely that what he has said has made it necessary for me to reply. I assure him that there is nothing personal in these remarks whatever. But I would be ashamed

to go home to the people that so long have honored me with their trust and confidence and would feel that I was too cowardly to associate with them if I did not resent this unfortunate and wholly unjustifiable attempt to blacken the reputation of my city and my State and that of the many public men that have served it with distinction and honor.

Now, I wish for the benefit of the committee to dwell for just a moment on the cause of the Seattle riots. All this shouting and tumult about who caused the Seattle riot is sham and pretense. There is no chance to be mistaken about it. The frothy ravings of the Industrial Workers of the World and their sympathizers on the streets of Seattle was the cause. For weeks and months every night these Industrial Workers of the World, despised alike by those who labor and by those who employ labor, stood on the streets of Seattle and denounced and condemned the Government and the law. For months they had assailed the soldiers and sailors of their country and poured forth their filth and slime upon every man that wore the United States uniform. They had circulated literature containing most indecent and defamatory attacks upon them. They cursed the flag that the soldiers and sailors were taught to honor, and defamed the country that they were sworn to defend. Finally this vilification and abuse was followed by assaulting and badly beating several soldiers. What the circumstance of this assault was is of little importance. It was simply the culmination of a series of offenses by these disreputable agitators. Certain it is that if these defamers of our country's institutions and our country's defenders had been kept off of the streets of Seattle no riots would have occurred. These enemies of society placed themselves outside of the law and taunted the soldiers and sailors to practice what they had been preaching. When this was done, and force was used against these advocates of force they whined for the law that they had defied to protect them. If there is anything about one of these lazy soap-box performers larger than his mouth it is his streak of yellow.

The sailors did take the law into their own hands. They were wrong; but they did it under provocation so great and under circumstances so extenuating that many good citizens condoned their action, and very few, if any, have any sympathy for their Industrial Workers of the World victims. It is to be regretted, of course, that in wreaking their vengeance upon the Industrial Workers of the World that some innocent ones also suffered. The conditions in Seattle had grown intolerable, and, as is always the case, one lawless act led to another.

I shall place in the Record a statement from the soldiers and sailors themselves that gives their reasons for their actions. So far as the Secretary of the Navy is concerned, I read his speech as it has been reported. I approve every sentence and every word that he uttered [applause], and so do the people of Seattle. His words were the words of a patriotic American citizen, and as a Republican I am proud of such a Democrat in the Cabinet. I pay to him the tribute of my admiration. If the conditions of my city were such that a brilliant and patriotic speech eulogizing the flag and praising our country and denouncing those who would destroy our institutions caused a riot, then I thank God that such speech was made. [Applause.] If this be true, it should have been made sooner. If there is any other spot in this Nation where such a speech will start a riot, then I trust that before another day dawns that some man will have the patriotism and the courage to make one there.

What was the cause of the riot in Seattle? The same cause that almost daily causes business disturbances, strikes, riots, and murder in some part of our country. It is the liberty and license shown to the Industrial Workers of the World under the misguided cry of "free speech." These enemies of society have become a menace to the Nation. These men will not work themselves, nor permit others to do so if they can prevent it. These defamers of their country and their country's flag, who defy the law and denounce the courts, who scoff at religion and curse the church, who sneer at the family relations and revile all that is honest, decent, and respectable; these men who vilify all who wear the uniform of their country; these preachers of force and destruction, of anarchy and treason, of lawlessness and murder, of the riot and the torch, had been permitted for many months to stand on the streets of Seattle and indulge in their filthy and violent harangues, disgusting, irritating, and insulting to all decent people. These agitators are always a menace to the community and are constantly inciting riot and bloodshed. These loathsome human parasites were the cause of the riots in Seattle. But for these men my colleague finds no word of condemnation; not even by insinuation does he blame them.

In his universal denunciation no word is to be found against these men. To them alone he gives the praise of his silence. If we are to believe his speech then all other classes are to blame for the shame and humiliation that has been brought upon the city of Seattle, and these immaculate soap-box saints alone stand innocent and without fault. [Applause.]

I will now insert clippings from the Seattle Times, Post-Intelligencer, the Argus, Town Crier, the Pacific Naval Monthly giving the sailors' own version of the trouble, and from the Bremerton News an article giving the report of the naval board on the affair and the order of the Secretary of the Navy based thereon.

These articles, together with those from the Seattle Sun, which have already been inserted in the RECORD by my colleague, Mr. BRYAN, give most of what has been published about the controversy, and I trust will aid Congress in ascertaining the facts about the unfortunate occurrence and enable them to judge as to where the fault lies for its happening.

[From the Seattle Times, Friday, Aug. 18, 1913.]

I. W. W., DENOUNCED BY HEAD OF NAVY, ATTACK SOLDIERS AND SAILORS—WHILE DANIELS AROUSES PATRIOTISM OF RAINIER CLUB DINERS BY SPEECH, ANARCHISTS ATTACK WEARERS OF BLUE—SCORES EXECUTIVE WHO FOSTERS LAWLESS MOBS—HIS BRILLIANT CASTIGATION OF UN-AMERICAN MAYORS EXCITES UNPARALLELED DEMONSTRATION OF ENTHUSIASM.

Practically at the very moment a gang of red-flag worshipers and anarchists were brutally beating two bluejackets and three soldiers who had dared protest against the insults heaped on the American flag at a soap-box meeting on Washington Street last night, Secretary of the Navy Daniels, in the great banquet hall of the Rainier Club, cheered on by the wildly enthusiastic and patriotic Americans present, flayed as a type the mayor of any city who permits red-flag demonstrations in the community of which he is the head.

Frantic with delight over the Secretary's bitter denunciation of the conditions which have so long disgraced Seattle, the members of the Rainier Club and their guests of the Army, Navy, and National Guard cheered themselves hoarse, climbing on their chairs to wave napkins at the speaker and give tongue to regular rebel yells of approbation and pleasure.

Three times Mr. Daniels was compelled to stop and wait until his audience had grown tired of applauding his fierce arraignment of a man who would hold the chief office in the gift of an American city and permit insults to his country and its honor by the display of red flags in the streets.

What the Secretary's expression of contempt and disgust with methods which permit the fostering of anarchy by the means employed in Seattle and the almost simultaneous assault on the country's uniform by the "reds" of the city in which he was then speaking will mean to Seattle can not yet be forecasted. That neither the Secretary of the Navy nor the Secretary of War will pass the insult by is sure enough, but whether the outrageous occurrence will mean injury to Seattle's hopes for further naval exploitation and the cancellation of Secretary Garrison's plans to visit this city is not yet known.

#### SITUATION EXCEEDINGLY SERIOUS.

The situation is exceedingly serious because of Mayor Cotterill's repeated refusal to interfere with the "reds," the various "red-flag" incidents occurring during his term of office and his permitting the anarchistic soap-box meetings of the last few months, which led as directly to last night's assault on the soldiers and sailors as water falls over the precipice to the pool below.

The most representative gathering of the business and social interests of Seattle ever assembled in one room partook of the Rainier Club's dinner to the Secretary. From the beginning the occasion was auspicious and tremendously patriotic in tone. Mr. Daniels was visibly impressed with the immense American flag that covered the entire ceiling and greatly pleased to find his own flag of office covering the wall back of his seat of honor.

The Secretary was welcomed by Mayor Cotterill, who, also a guest of the club, spoke for the city of Seattle. Thomas M. Vance, a former attorney general of this State, aided Judge R. B. Albertson, the toastmaster, in extending the greetings of the North Carolinians who now live in Washington. Judge George Donworth spoke brilliantly on the prosaic subject of the Keyport torpedo station. Admirals Reynolds and Cottman spoke straight to the point on subjects nearest their hearts. After an ovation lasting several minutes, Judge Richard A. Ballinger spoke of the resources and artificial difficulties of this State and Alaska.

Finally Judge Albertson presented the Secretary of the Navy, who was warmly received. Mr. Daniels spoke to the toast "Our Country," digressing to many personal topics of interest to the club and its guests. He repeated his promises that the whole battle fleet of the United States would soon be in Seattle Harbor, and hinted at other naval affairs of importance to the community. Then, reaching his peroration, he pointed to the American flag over his head and began his denunciation of American executives who permit the display of red flags in their streets and the fostering of anarchistic ideas in their communities.

"This country has no place for the red flag and it has no place for the believers in the red flag," he exclaimed.

Instantly the first great demonstration for the Secretary and his patriotic beliefs began. Members of the club and their guests of the Army and Navy cheered, stamped, laughed, and yelled. When order was restored, Mr. Daniels began the story of the mayor of Boston, who jailed the red-flag paraders first and found a law to fit the case afterwards. The second demonstration followed at once, longer and more enthusiastic than before.

Warning to his topic, the Secretary proceeded with a merciless denunciation of the cowardly un-American who, occupying the highest position in the gift of an American city, fosters anarchy in the streets by permitting the display of the red flag and the demonstrations of its adherents.

#### DEMONSTRATION UNPARALLELED.

It was then that the audience rose in the third demonstration, one never before paralleled in the history of the Rainier Club. The previous demonstrations seemed weak by comparison, the noise continuing

until the members and their guests were worn out. The Secretary was much gratified by the enthusiasm he had invoked, little thinking that at almost the same instant the "reds" permitted to exist in Seattle by Mayor Cotterill were beating and stabbing soldiers and sailors of the United States for expressing sentiments far weaker than his own.

Directly following the dinner, impromptu jubilation parties were held all over the Rainier Club by the members, who as a body are noted for their patriotism.

Maj. Harold E. Cloke, commanding officer at Fort Flagler, to-day started an investigation into the assault of the three soldiers and two sailors. A board of inquiry will be called together to make a careful and thorough inquiry into the circumstances of the outrage.

#### WILL BE PUT UP TO MAYOR.

It was stated that if preliminary reports absolving the men in uniform from all blame for the attack were borne out by the inquiry, the entire matter would be put up squarely to Mayor Cotterill and an explanation demanded from the city for the unprovoked insult offered Seattle's guests. Col. C. J. Bailey, commanding officer of the three forts of which Flagler is one, could not be reached to-day, but it was understood that he would assume direct charge of the matter upon his arrival at Fort Worden.

Patrick Coyle, A. E. Wallace, and a Third Artillery man who refused to make known his identity, comprised the trio of soldiers; while Frank Brady, sailor from the submarine tender *Fortune*, and George Becker, of the cruiser *Chattanooga*, were the sailors involved. Coyle was gashed under the eye. Wallace was stabbed and bruised, while the third soldier was badly cut about the head and otherwise injured. The two sailors, who, according to eyewitnesses, put up a plucky fight against overwhelming odds after they had rushed to the assistance of the soldiers, wore the skin completely off their knuckles, but were otherwise uninjured.

That fatal injuries to the men would have resulted had some one not turned in a riot call and brought Capt. L. J. Stuart, the emergency squad of patrolmen and three motorcycle police to the scene was the belief of all who saw the outrage. As it was, the men were rescued with difficulty after the mob had been dispersed, and the ringleaders escaped only because none of the injured could identify their assailants.

#### SOLDIERS' UNIFORM INSULTED.

The three soldiers, following the military parade of the afternoon and the aeroplane flights, were strolling down Washington Street when they were spotted by an I. W. W. speaker occupying a soapbox near the Occidental Avenue corner and immediately attention was called to them, their uniform being derided and the service to which they have given their lives insulted.

"Don't be a soldier, be a man," shouted the speaker, amid the jeers of the I. W. W. Works. Although stung to the quick by the insults which followed, the soldiers appeared to pay no attention to them until the speaker made way for a woman, who began to pour out coarse epithets directed at the enlisted men. Her words lashed the horde into a fury and a near-by I. W. W. struck at the three as they were passing him. Wallace received the blow and his comrades rushed to his assistance.

Immediately the mob of several hundred pressed about the struggling group, with cries of "Kill 'em!" "To h— with the flag!" and similar expressions. Coyle was seized by two heavy lumberjacks, one of whom grabbed the soldier around the neck and forced him to his knees, while the other smashed him in the face, cutting a gash under one eye.

Another I. W. W., armed with a small knife, gashed Wallace in several places. Finally, all three men went down and members of the mob jumped on them with their heavy shoes.

#### BECKER PUT UP FINE FIGHT.

Brady, who, all agree, is "some scrapper," and Becker ran to the aid of the soldiers. They managed to work their way toward the soapbox and Brady, it was asserted, laid out a score of the I. W. W. Works before he was downed. Becker was not far behind him.

Sergt. Joe Mason, who was in the vicinity, did what he could with the mob, and when the emergency squad arrived in response to the riot call, the men in uniform were pulled from under the feet of their assailants and taken to the city hospital. After their wounds had been dressed the men left and reported to their respective forts or vessels.

Widespread condemnation of the insult was expressed on every hand this morning. Col. W. M. Inglis, commanding the Second Regiment, Washington National Guards, declared that severe measures ought to be adopted toward disciplining the I. W. W.'s.

"The participants in last night's outrage ought to be rounded up and driven out of town," he asserted.

Among the most outspoken in their disapproval of the outrage were local veterans of the Spanish-American War. These former soldiers, as members of the military order of Serpents, will lead to-night's Potlatch parade across Washington Street and past the scene of the attack.

"If they start anything with us," one of the prominent leaders of the organization asserted, "they will meet something they never did before. Our men will be armed with everything from bolos to head axes, and we will be ready for them."

#### TROUBLE BREWING FOR I. W. W.

The police were notified through underground channels late last night and again this morning that a large force of enlisted men in the city on leave would circulate about the I. W. W. headquarters this evening. The prediction was freely made that any stigma cast on either their uniforms or the flag will meet with speedy and decisive answer.

Several soldiers declared that they had never before heard of authorities in an American city permitting public insults to be directed toward defenders of the Nation or its flag.

Maj. Cloke said this morning that he had been assured that all three of the soldiers assaulted were sober and were conducting themselves in a gentlemanly manner.

This statement was borne out by eyewitnesses to the disgraceful affair.

[From the Seattle Times, Saturday, August 10, 1913.]

MAYOR MAKES FUTILE ATTEMPT TO SUPPRESS PUBLICATION OF TIMES—IN EFFORT TO SHIFT RESPONSIBILITY FOR LAST NIGHT'S RIOTING TO PAPER, EXECUTIVE ISSUES REPRESSIVE ORDER.

Refusal of police officers to obey the order of the court this afternoon resulted in Cotterill and Chief of Police Bannick being arrested and hustled before Judge Humphries on bench warrants. They were ad-

vised to promptly change their attitude. This they agreed to do without delay. After their session with Judge Humphries a telephone message was sent to headquarters by Bannick to rush a man with all haste to the Times office and remove the guard.

The Times was issued practically on time, and its appearance was greeted with cheers by hundreds who had assembled near the Times building.

Mayor George F. Cotterill, in a puerile attempt to clear his own skirts of blame for last night's clash between I. W. W.'s and the soldiers and sailors they had vilified and insulted, this morning assumed charge of the police department and ordered the Times to suspend publication of all its issues for to-day and to-morrow. At the same time he ordered the closing of all saloons and the breaking up of all street meetings. As an afterthought, the executive made the brilliant suggestion that the Times might publish, as usual, provided proofs of all matter to appear in its columns be submitted to his eye for censoring.

Satisfied of the illegality of such an order, the publishers of the Times took the matter before Judge John E. Humphries in an application for a temporary restraining order. In a few moments the application had been granted and Cotterill in turn had been suppressed by a peremptory order that he and his subordinates refrain from interference with the Times or its affairs.

That there might be no mistake, Judge Humphries stated from the bench that the order was made to be obeyed, and that any violator would be committed immediately for contempt. Thus Cotterill, the person responsible for last night's disturbances through his policy of fostering the growth of the anarchistic colony in Seattle as a result of his policy of "hands off," finds himself between the horns of a dilemma created by himself.

Instead of shifting the blame for the soldiers' and sailors' attack on the I. W. W. and every other red flag headquarters in Seattle, Cotterill, who has assumed control of the police department, must shoulder the blame for any trouble growing out of his impertinent interference or his known partiality toward the incendiaries who a year ago trampled the Nation's emblem in the streets and finds the blame for the occurrences of last evening placed squarely back on his shoulders, where it belongs.

The action of the sailors was the direct result of the affair of Wednesday night when red-flag adherents on Washington Street attacked several enlisted men, one of whom was stabbed.

The sailors were entirely orderly last night with the exception of their attack on the Reds. Every I. W. W. headquarters in the city was raided and wrecked, and every anarchist and I. W. W. who offered resistance was roughly handled.

Those who witnessed the destruction of I. W. W. headquarters and literature assert that the leaders of the attacking force were continually warning their followers against the mistake of too much zeal, and especially against the use of liquor in any form.

#### STATEMENT BY DANIELS.

Secretary of the Navy Josephus Daniels, interviewed in Tacoma this morning concerning last night's disturbance, said:

"I have only just heard of what happened in Seattle last night. I understand it was provoked by trouble between the I. W. W. people and sailors or soldiers the night before. If the sailors made the attack without provocation it was not right."

"I have been told there were many more civilians in the party than naval men. If Army and Navy men or civilians destroy property, they should be punished. I have no doubt the authorities will face the responsibility."

"Respect for the law and respect for the flag are the basic principles on which America rests."

Cotterill, planning his extraordinary course, was in his office at the city hall at 9 o'clock, despite the sign announcing that he had declared to-day a legal holiday in Seattle. His perennial loquaciousness, however, did not extend to the Times.

"Could I see the mayor?" queried a Times reporter of Private Secretary Frederic B. Chandler, who quit work on a proclamation long enough to approach the mayor in the adjoining room.

"The mayor says he has nothing to say to the Times," Chandler replied upon his return.

"The Times would be glad to publish any statement that the mayor may have to make regarding the affair of last night," insisted the reporter.

"The mayor says he has nothing to say," reiterated Chandler, as he resumed work on his proclamation.

#### MAYOR'S OFFICIAL PROCLAMATION.

The text of the official proclamation follows:

#### PROCLAMATION.

#### THE CITY OF SEATTLE, EXECUTIVE DEPARTMENT.

Whereas a condition of riot, tumult, and violent disturbance of public order, accompanied by destruction of property and endangering of human life, prevailed in the city of Seattle for several hours last night (Friday, July 18, 1913); and

Whereas there is imminent danger of a renewal of such lawless and rioting outbreaks in the present excited state of the public mind, with great liability of further destruction of property and probable loss of life by reason of the crowded conditions of our streets during the closing day and night of the Potlatch Festival: Now, therefore,

I, George F. Cotterill, mayor of the city of Seattle, acting pursuant to the power and duty imposed and vested in me by virtue of section 2, article 5, of the city charter, do hereby assume control for the time being of the police force of the city of Seattle.

Proclaimed at 9 a. m. this Saturday, the 19th day of July, A. D. 1913.  
GEORGE F. COTTERILL, Mayor.

#### JUDGE HUMPHRIES'S ORDER.

The text of Judge Humphries's restraining order follows:

In the Superior Court of the State of Washington, in and for the county of King.

Times Investment Co., a corporation, plaintiff, v. George F. Cotterill, as mayor of the city of Seattle and individually, Claude G. Bannick, as chief of police of the city of Seattle and individually, defendants. No. —. Temporary restraining order and order to show cause.

This matter having come on duly for hearing upon the application of the plaintiff herein for a temporary restraining order and an order to show cause, and it duly appearing to the court from the complaint herein and the affidavit in support thereof that an emergency exists and that this is a proper case for the issuance of a temporary restraining order, and that irreparable injury will be done to property and

property rights and to business interests without the issuance of said temporary restraining order:

It is therefore hereby ordered, adjudged, and decreed that the defendant, George F. Cotterill, as mayor of the city of Seattle and individually, and the defendant, Claude G. Bannick, as chief of police of the city of Seattle and individually, and each of them and all officers and employees of the city of Seattle subordinate to said defendants, and all servants and agents and employees of the said defendants, or either of them, or the said city of Seattle be, and they are hereby, enjoined and restrained from in any manner enforcing that certain order made by the said George F. Cotterill and referred to in the complaint herein, dated the 19th day of July, 1913, and which order provides as follows:

"Inasmuch as the exaggerated, false, and perverted publications which have been made by the Seattle Times, and particularly the issue of Friday evening, July 18, 1913, included a plain and willful inciting of the riot which followed and indicated on the part of those responsible for that publication a knowledge of the lawless and riotous intentions which were consummated that night, you are hereby directed to stop the issuance, sale, circulation, or any form of distribution within the city of Seattle of the Seattle Daily Times during this day (Saturday, July 19, 1913) and to-morrow (Sunday, July 20, 1913), unless the proprietors of such paper shall have first submitted to me the entire proofs of any proposed issue and it shall have been found and certified to you by me as containing nothing calculated to incite to further riot, destruction of property, and danger to human life."

And are enjoined and restrained from taking any action or doing anything whatever to interfere, obstruct, or impede the printing, publication, distribution, and circulation of the Seattle Daily Times in the city of Seattle on Saturday, the 19th day of July, 1913, and on Sunday, the 20th day of July, 1913, or on any other day or days until the further order of this court, and said defendants and each of them are hereby ordered to appear on the — day of July, 1913, in department No. — of this court, then and there to show cause why a temporary injunction should not issue continuing in force this restraining order pending the trial of this case upon the merits.

This temporary restraining order to be in force upon the filing by the plaintiff of a bond conditioned according to law in the sum of \$5,000.

Done in open court this 19th day of July, 1913.

JOHN E. HUMPHRIES, Judge.

#### PROCLAMATION SERVED ON EDITOR.

The first notification of George F. Cotterill's latest bumptious dive into the sea of impertinence and illegality came when Chief of Police Claude G. Bannick and a plain-clothes officer, acting on instructions from the self-constituted head of the police department, appeared at the office of Col. Alden J. Blethen, editor in chief, and served the executive's proclamation.

Immediate communication was established with the Times' attorneys, and within the space of a very short time Attorney Walter Fulton appeared in superior court before Judge John E. Humphries with an application for an order restraining Cotterill in his pernicious effort to shoulder blame for last night's disturbances on the Times.

After hearing the circumstances Judge Humphries signed the order, at the same time declaring with finality: "This order is made to be obeyed, and anybody violating it will be promptly dealt with."

Later in chambers the court announced that any effort to go behind the literal meaning of the order restraining Cotterill and his newly-kidnaped minions from interfering with the Times and its publication will mean immediate arrest and commitment for contempt of court.

Judge Humphries then notified the sheriff's office of the issuance of the restraining order and at the same time served official notice on Sheriff Ed Cuddehe that he would be held responsible for seeing that the order was carried out to the letter. As a result, a sufficient force of deputies was ordered to be on hand in the sheriff's office to arrest anyone from Mayor Cotterill to the city hall janitor who might attempt to interfere with the publication of the Times.

Before press time, when it appeared that Cotterill might see fit to pit his egotism against the majesty of the law and attempt interference, a squad of deputy sheriffs under Deputy Ted McCormick appeared at the Times office with instructions to jail anyone interfering in any manner with the publication of the paper.

Coincident with the taking over of control of the police department and his order suppressing the publication of editions of the Times to-day unless all proofs first were submitted to his august eye, Cotterill ordered the closing of all saloons.

In many cases the proprietors obeyed unquestioningly. Others, particularly down-town cafes and clubs, declined politely but firmly to permit their business to be interfered with, and the doors remained open.

As a result of defying Cotterill's plainly illegal order, G. F. Wilson, bartender at the Savoy Hotel, was arrested by Motorcycle Policemen D. M. Elaine and J. F. Heath. At the Rathskeller, the police found defiance, but a few moments later, on instruction from James Morrison, the bar was closed.

At the time of taking over control of the police department, Cotterill issued the following order to Chief of Police Bannick, taking for his authority section 2 of article 5 of the city charter:

#### ORDER ISSUED BY MAYOR.

#### To the Chief of Police:

Acting under the direct authority imposed upon me by the proclamation assuming control of the police force, of even date herewith, the following orders are hereby promulgated for the suppression of any further tumult and for the restoration of order:

(1) All general laws and ordinances shall be enforced in the ordinary and usual manner, as prior to the issuance of the emergency proclamation, except as set forth in the following emergency orders.

(2) As a safeguard and measure of protection against a renewal of disturbances of public order, you are hereby directed to cause all saloons and other places where intoxicating liquor is sold to be closed and to stop the sale of any intoxicating liquor in any form. The closure to continue throughout this day, Saturday, July 19, and the State law to be rigidly enforced through Sunday, July 20. Unless otherwise ordered, this emergency closure shall be superseded by the usual regulative provision of the license ordinance on Monday morning, July 21, 1913.

(3) Inasmuch as the exaggerated, false, and perverted publications which have been made by the Seattle Times, and particularly the issue of Friday evening, July 18, 1913, included a plain and willful inciting of riot which followed, knowledge of the lawless and riotous intentions which were committed that night, you are hereby directed to stop the issuance, sale, or circulation or any form of distribution within the city of Seattle of the Seattle Daily Times during the day (Saturday, July

19, 1913), and to-morrow (Sunday, July 20, 1913), unless the proprietors of such paper shall have first submitted to me the entire proofs of any proposed issue, and it shall have been found and certified to you by me as containing nothing calculated to incite to further riot, destruction of property, and danger to human life.

(4) During this day (Saturday, July 19) and to-morrow (July 20, Sunday) you will cause all and every character of street meeting and public speaking thereat to be suspended and stopped, that there may be no further exciting of the public mind which might lead to renewed riotous outbreaks or reprisals. This shall not apply to any religious meeting of a regular religious organization.

Witness my hand this 19th day of July, 1913.

GEORGE F. COTTERILL, Mayor.

Section 2 of article 5 of the city charter is as follows:

PROVISIONS OF CHARTER.

"The mayor shall see that all the laws and ordinances in force in the city are faithfully executed and shall direct and control all subordinate officers of the city, except in so far as such direction and control is by the provisions of this charter reposed in some other officer or board, and shall maintain peace and good order in the city. He shall have power at all times, in any emergency, of which he shall be the judge, to assume command of the whole or any part of the police force of the city. In case of riot, tumult, or violent disturbance of the public order the mayor shall have, as the exigency in his judgment may require, the right to assume control for the time being of the police force, but before assuming such control he shall issue his proclamation to that effect, and it shall be the duty of the chief of police to execute orders promulgated by him for the suppression of such tumult and the restoration of order."

I. W. W. TALKS AS MAYOR SUPPRESSES TIMES.

While Mayor George Fletcher Cotterill was busy this morning attempting to suppress the Times and taking charge of the police force of the city he permitted an I. W. W. street speaker to mount a soap box on the streets and there harangue away to his heart's content. Officer 243 watched the speaker for a time and then sauntered away. The "speech" was delivered near the alley between the Globe Building, on First Avenue, and the National Grocery Co. Building, on Western Avenue.

COURT PREVENTS MAYOR FROM CLOSING SALOONS.

Under the leadership of Joseph Goldie, of the Goldie-Klenert Distributing Co., representatives of the following liquor houses in the city presented themselves at Judge John E. Humphries' court to-day and obtained a temporary restraining order preventing the mayor or the chief of police from closing their places of business: James W. Morrison, president of the Rathskeller Co.; Goldie-Klenert Distributing Co.; Hyde & Co.; Samuel Hyde; The Savoy Hotel; Bollong Liquor Co.; Merchants' Café; Transfer Co.; Jaffe & Co.; Gill & Gill; Mission Liquor Co.; Pioneer Exchange; Germania Café; P. E. Sullivan; Berhl & Rooney; The Stratford (Inc.).

After granting injunctions Judge Humphries ruled that all that was necessary for the enforcement of the court's mandates was the posting of the injunction on the doors of the establishments securing them. Judge Humphries assured the saloon keepers it would not be necessary to consult mayor or chief of police before reopening their doors.

Their complaint alleges that as to-day is neither a Sunday nor a holiday, neither the mayor nor the chief of police has a right to interfere with their business. The temporary order was made returnable before Judge Humphries next Wednesday morning.

ANARCHY IN SEATTLE STAMPED OUT WHEN SAILORS GET BUSY.

Anarchy, the grizzly hydra-headed serpent which Seattle has been forced to nourish in its midst by a naturalized chief executive for 18 months, was plucked from the city and wiped out in a blaze of patriotism last night. Hundreds of sailors and artillerymen, who carefully planned the entire maneuver yesterday morning, led the thousands of cheering civilians to the attack and successfully wrecked the Industrial Workers of the World headquarters and "direct-action" Socialist headquarters in various parts of the business district.

That the attackers were determined to stamp out the evil itself rather than to inflict personal injury on its unfortunate adherents was indicated by the fact that the only casualty reported was that of an Industrial Worker of the World, whose nose was broken. Squads of police who hovered about the scene of eradication handled the situation in such a manner that no trouble resulted.

The causes of the onslaught was the unprovoked attack made by a mob of Industrial Workers of the World on three artillerymen and two sailors at Washington Street and Occidental Avenue Thursday night. Patrick Coyle and A. E. Wallace, of Fort Flagler, together with another, whose name was not learned at that time, were thrown down, trampled on, and stabbed by the infuriated red-flag adherents. The matter is now being made the subject of an inquiry at Fort Flagler.

Fired with patriotic enthusiasm and armed only with small American flags, the men in uniform wrecked the Industrial Workers of the World headquarters on Washington Street, demolished the news stand of Millard Price at Fourth Avenue and Pike Street, cleaned out the Industrial Workers of the World headquarters in the Nestor Building on Westlake Avenue and the Socialist halls at the Granite Hotel, Fifth and Virginia, and in an old church at Seventh and Olive Streets.

The proceedings were thorough and determined. Red flags which were found in both the Industrial Workers of the World and Socialist offices were burned, literature was scattered over the streets or destroyed, furniture was smashed into kindling, and the American flag, triumphant, was placed above every nest of anarchists before the work was considered complete.

CIVILIANS CARRY ON WORK.

Even after the uniformed men had considered their work finished and left for the docks, the swarms of civilians carried it on. Some of the onlookers declared that the attack on the Nestor Building contained but a handful of military men and was engineered by residents of this city. Policemen, fire carts, and a provost guard from the warships in the harbor, followed the throng, but were unable to do more than take charge of the remains left by the wreckers.

Although the first signal for the attack had been given at 7.30 o'clock, some time before the evening pageant was due to appear the streets of the business section were jammed with a carnival crowd, which quickly took up the battle cry of the soldiers and sailors and left their places to join in. So huge was the crowd that the 9 o'clock interurban train from Tacoma, on the Puget Sound Electric Railway tracks, was forced to discharge its passengers at First Avenue and Jackson Street, several blocks below the station.

Various estimates placed the crowd actually participating from 5,000 to 20,000, while still another count placed the throngs on the street curbs and along the business thoroughfares at 200,000.

An indication of the sentiment of the crowds, outside of the cheering along the line of march, was manifested at the Potlatch grandstand, where spectators rose en masse with waving flags and shouts to greet the army as it went by.

RIOT CALL TURNED IN.

Industrial Workers of the World adherents were busy with a meeting on Washington Street west of Occidental, when the originators of the enterprise gave the signal at First Avenue and Yesler Way and started toward the headquarters on Washington Street. Quietly, but swiftly, the party rushed to the point of attack and were in front of the building before the onlookers realized what was going on.

A riot call was turned in and a squad of policemen appeared on the scene, but in the meantime the invaders had gained entrance to the headquarters and were carrying out their scheme of destruction. Desks, the property of local organizers and officers of the State organization, were smashed, chairs were hurled against the wall and broken into bits, and literature was thrown out of the windows to the crowd beneath.

Some one had informed the Industrial Workers of the World meeting of what was going on, and just as the last of the literature was going up in flames in the alley, the mob poured in to give battle to the sailors and soldiers. The struggle was brief, but spirited, and the sailors, all of them picked men, had no trouble in downing the "wage slaves." With their heads down and their arms shot back like battering rams, the jacks charged the crowd and pushed them back to such an extent that exit was easy.

By this time approximately 5,000 spectators had jammed about the scene. A caucus was held, and collection taken by passing the hat to buy a bugle and a flag. Cries of "Fourth and Pike" sounded, and the little vanguard, backed by a small number of excited civilians, shot up First Avenue, crossed over to Second at the double quick, east on Pike, and drew up at Millard Price's news stand.

While the crowds on the corner, unfamiliar with the earlier events, were wondering what was going on, half a dozen pairs of hands seized the Socialist news stand up against the curb and in a second papers and pamphlets filled the air.

SMASH EVERYTHING RED.

The stand emptied, the soldiers and sailors of the vanguard, numbering no more than a dozen, overturned the stand and began to demolish it. Willing feet made quick work.

The avengers had noted that the stand was painted red. "Smash everything that's red," shouted one of the party, as he laid the last whole board against the curb and descended on it with his No. 10's. In less than a minute the contents of the cart had been scattered broadcast and the cart was smashed to kindling.

From somewhere about the stand one of the soldiers plucked a red flag before the demolition was complete. This was torn to tatters. Matches were quickly applied and the odor of burning rags presently told of the destruction of the I. W. W. emblem.

A half dozen paces from the Socialist news stand stood a stand where daily newspapers are sold. While some of the party were smashing the Socialist stand a soldier ran over to the other cart and stuck an American flag among the papers in the top rack. When the willing workers made for that stand too, thinking it of the same breed as the one just smashed, they spied the flag and promptly moved back. Heads were bared and cheers for the flag drowned the roar of Pike Street traffic.

Throughout the scene Patrolman J. L. Crawford remained one of the interested spectators. So quickly had the little band descended on the news stand that a thoroughly efficient "Finis" had been written before the policeman could stem the tide. Every time he thrust back a participant the crash of a board or the flying of a handful of papers told of effective work by others. And all the while a crowd that grew larger every second cheered the workers lustily. Taking no part themselves in the demonstration, the witnesses, by shouts and cheers and exclamations of glee, clearly showed that they thought so, too.

ON TO RICHMOND.

The party at Fourth Avenue and Pike Street having been successfully concluded with the burning of the fragments of the red flag the little band broke into a run down Pike Street to Third Avenue, thence north toward the Socialist headquarters at 1909 Fourth Avenue. By this time a crowd of more than 1,000 civilians trooped along to see the fun.

The headquarters escaped with a broken window. When a soldier, loudly applauded by the crowd that choked Fourth Avenue in front of the building climbed with an American flag to the sill to place it over the window, he kicked loose the bottom of the heavy glass. It fell inside with a crash. There were cheers. With more room to work, the soldier fastened the flag above the window amid more cheers.

The little band now headed south to Olive Street, and at Olive Street broke into a run eastward. The crowd that followed now was blocks long and included men, women, and children. Automobiles brought up the rear.

The parade terminated at 711 Olive Street. At that place stands a dilapidated old church, said to be used as branch headquarters of the "direct-action" Socialists. The soldiers and sailors were sure of it. The nature of the material found within and destroyed supports their belief.

HEADLINER AT OLIVE STREET.

At the Olive Street place occurred the principal event of the demonstration in the north end of town. Rushing up the shaky steps of the building, three or four of the leaders leaned against the old door, and it crumbled like a rotten shingle. A moment later the remains crashed over the banister into an excavation on the lot adjoining.

Things began to happen quickly. The door smashed in, there was presently heard the crashing of glass in a half dozen places simultaneously, and the crowd in Olive Street saw showers of it descend into the excavated lot. Much of the work was done with chairs or whatever came to hand, but when one of the more completely smashed windows burst out a protruding foot told how the deed was done. Everybody cheered for the foot. A second later another pane crashed, and at the open window appeared a soldier with an American flag.

CARRIED UNANIMOUSLY.

Waving the flag wildly, he shouted, "Hurrah for the American flag; down with the I. W. W.'s." There was not a dissenting vote.

The windows in the main floor smashed, the progress of the band downstairs could be easily followed by the crowd outside by the smashing of the basement windows. It was a hard day for glass. Not a window escaped.

Apparently the windows were the only inviting objects in the basement, for the little knot was soon upstairs again. Two or three presently rushed out, to return a moment later with an 8-foot section of pipe. Then followed such a chorus as Olive Street probably has never heard before. The smashing of chairs and tables, the rending

of yielding timbers, the creaking and groaning of sundered walls, and, above the rest, the crash of glass of the windows on the east side all blended together in one grand Wagnerian cacophony. And all the while the crowd outside just howled and cheered. It was almost more joy than they could stand.

The chorus of crashing and smashing was presently interrupted by a movement that resulted in a deluge of pamphlets and leaflets from the front door. Persons occupying ringside seats were almost covered. The storm lasted until the last of the offending literature had been pitched out.

#### TORCH FOR RED FLAG.

Then came the finale. Dragged by two of the enthusiastic dramatic personae, a red flag presently came through the yawning doorway. Hisses for the red flag and more cries of "Down with the I. W. W.'s." Straight to the middle of the street they carried the rag. There was no dearth of matches. It seemed as if everybody wanted to lend the match that would destroy the emblem of the malcontents. Making a circle, the crowd stood around and cheered the soldiers and sailors heartily while the rotten cloth smoldered and smoked.

Bent on further vengeance, the party now turned into Seventh Avenue and headed south. At University Street the crowd turned west and marched past the Labor Temple, straight to Second Avenue. There they appeared for a moment to have been swallowed in the throngs that lined the pavement waiting for the parade. The crowd quickly regained its coherence, however, and in a few seconds was running past wondering crowds on its way to Washington Street. This was at 8.45 o'clock, just 35 minutes after the beginning of the demonstration at Fourth Avenue and Pike Street.

By the time the crowd—now swelled into a veritable legion—had reached the I. W. W. headquarters a second time several reds had gathered to defend their nest. Although the sailors and soldiers expressed themselves as perfectly competent to handle these anarchists, the police held back the mob until the red-flag adherents had clambered away.

Sailors climbed the fire escape into the hall, but there was little left to demolish; and other avengers scouting about discovered the little gospel mission near Occidental and Washington Streets. Not realizing its character, they rushed into it, but the religious appointments convinced them of their error, and they retreated with bowed heads.

One of them said, "Boys, we're in wrong," and the banners which had been torn from the walls were replaced carefully before they left the mission.

Still determined to stamp out the last vestige of anarchy, the leaders turned again for a march toward Pike Street; and the mob poured down Third Avenue, cheering and waving flags. Near Pike Street the provost guard, which had been hustled from the warships on urgent appeal from Chief Claude G. Bannick, met the on-coming crowd. The bluejackets disappeared silently in the crowd behind them, and the night's work was pronounced complete.

A smaller crowd of sailors and civilians had remained near the Socialist headquarters on Fourth Avenue, and toward these the provost guard hurried. One sailor, named Kemp, of the U. S. S. *Oregon*, was captured before he could make his get-away. He was the only one arrested during the evening.

While the planners of the affair had contemplated attacking the I. W. W. headquarters only, the presence of red flags in both Socialist halls led them to include those places as well. The Socialist headquarters on Seventh Avenue near Union Street, which has not affiliated with the direct-action element, was unharmed, although the mob at one time halted before it. One of the leaders, a sailor, discovered its character and told the others to go on.

"Pipe down, boys," he ordered. "This is a Socialist hall. The people of Seattle are with us as long as we stick to the I. W. W.'s, so leave this place alone."

At the headquarters on Fourth Avenue several guests who were stopping in the hotel adjoining were roused by the attack, but were quieted. One woman, a visitor from Hastings, Nebr., fainted, but was quickly revived.

[From the Sunday Seattle Times, Sunday, July 20, 1913.]

MAYOR COTTERILL ATTEMPTS THE RÔLE OF CZAR—PUTS 20 MEN AROUND TIMES BUILDING TO PREVENT ANY PUBLICATION UNLESS EDITOR WOULD SUBMIT ALL COPY TO MAYOR—HIS PROFFER REJECTED, SPURNED, AND REPUDIATED AND THE POWER OF THE COURTS INVOKED—THE JUDGE TELLS COTTERILL THAT HE HAS COMMITTED A HIGH-HANDED OUTRAGE—WILL BE SUED FOR \$25,000 DAMAGES BECAUSE OF HIS OUTRAGEOUS, ILLEGAL, AND UNPRECEDENTED USURPATION OF AUTHORITY.

George F. Cotterill has again demonstrated his unfitness to be mayor of Seattle.

The denunciation of the "red flag" and the men who stand for it by the Secretary of the Navy was too much for Cotterill's disposition.

He therefore seeks revenge on the Times because this was the only paper that printed what the Secretary said.

Without a shadow of justification in law this despised man—the advocate of anarchy and the leader of the red-flag gang—undertook to suppress the publication of the Seattle Daily and Sunday Times.

There is not a precedent for such an attempt in the United States anywhere except in times of war.

This chagrined and discredited "red-flag" sympathizer—unfortunately the mayor of the city—tried to suppress the Times because he claimed it had produced the "riots" of Friday night.

And yet this despoiler of the English language knew that the attack of the dynamic leaders and the Industrial Workers of the World on the soldiers and sailors on Thursday night produced the riots.

If the Times had not published the scathing denunciation of the red flag and every public official who stands for the flag by permitting it to be carried through the streets of any city this man Cotterill would never have dreamed of doing the dastardly thing he attempted to do and successfully did do for a few hours.

As soon as he had served his autocratic notice on the editor of the Times the powers of the courts were invoked and this man enjoined, together with his chief of police and every man on the force, from carrying out his attempted suppression of this publication.

For more than one hour after the court had issued the order for Cotterill and his chief of police and the force in general to quit their interference with the operation of the regular affairs of this publication this discredited, dishonest, and loathed mayor of Seattle dodged and kept away, until a complaint was made for his arrest for contempt of court, when he went before Judge Humphries, who issued the injunction, and demanded a modification of the order.

But instead Cotterill met at the hands of Judge Humphries the most scathing denunciation for his unwarranted and contemptible conduct that was ever before administered to a public officer in the State of Washington.

Judge Humphries told him that instead of the Times inducing riot by publishing the truth as spoken by the Secretary of the Navy, it was such men as Cotterill, who stood for the things he does and who attempts to commit the wrongs he did, that caused riots.

Moreover, Judge Humphries told Cotterill that unless he called his police off at once the court would not only enforce his order by arresting every man connected with it, but that he would see to it that the punishment for such conduct would be ample.

Sheriff Cudibee was requested by the editor of the Times and a county commissioner to swear in 500 deputies, if necessary, to protect the Times in the publication of its various issues, both Saturday and Sunday—the period in which this would-be czar attempted to interdict the publication.

While undoubtedly the city of Seattle is responsible for the loss of the first edition of the Times on Saturday, nevertheless no action will be brought against the city for damages.

Instead, the moment that Judge Humphries be through with this injunction the Times Printing Co. will bring a damage suit against this loathsome whelp, who sits in the office of the mayor and attempts to destroy property, in the sum of \$25,000.

And the Times will do this in spite of the fact that it will probably be illustrating the old adage, "Sue a beggar and catch a louse."

The time has come when this would-be autocrat and czar should be deposed from the office of mayor.

While the Times has been opposed to the recall law, it believes in it now and will help enforce it to the limit.

The Times calls on the business men of this city to join with it immediately to establish headquarters, to formulate charges, and inaugurate a canvass that will secure not only the legal number of names for recall of this wretch, but the Times will subscribe \$1,000 to help put the campaign through.

The time has come when this city should be freed from "Cotterillism" and all that that odorous word implies, and do it forthwith.

Let the law-abiding citizens of Seattle, who have been handicapped for more than two years by a most wretched condition of affairs, get rid of this obstacle of progress, and get rid of him forthwith.

[From the Seattle Times, July 20, 1913.]

#### SECRETARY DANIELS DENOUNCES THE RED FLAG.

Hon. Josephus Daniels, Secretary of the United States Navy in the Cabinet of President Wilson, spent four days of last week in Seattle under most agreeable circumstances and made a deep impression upon those whom he met.

When the Potlatch was fully organized President Foster appointed a special committee to look after Naval and Army exploitation during the week of the Potlatch.

The chairman of that committee solicited the help of the editor of the Times and the editor of the Post-Intelligencer in securing from the Secretary of the Navy and the Secretary of War the desired exploitations.

Secretary Daniels, being a publisher and an editor of the leading newspaper in North Carolina, gave careful attention to the request of the editors from Seattle, and not only granted all that was asked, but accepted an invitation to be the guest of the Potlatch during its session.

Secretary Daniels kept his word in every particular, not only granting all that was asked, but came with Mrs. Daniels to the Potlatch and stayed four days.

The Rainier Club decided to invite Secretary Daniels to a banquet to be prepared especially for him, and the invitation was accepted and the banquet occurred on Thursday night.

There were able speakers like Judge Donworth, former Secretary of the Interior Ballinger, Hon. Thomas Vance, of Olympia, with Judge Albertson, of the superior court of King County, as toastmaster. There were other speakers, including the mayor of the city.

One hundred and seventy-one covers were turned, and the banquet lasted until midnight.

When Secretary Daniels rose to speak he must have been impressed with the great national flag that covered the ceiling above his head, for he promptly launched out into a most patriotic speech, one that would have done honor to the veterans of the Civil War, although spoken by a man who was born in the South and who of necessity is imbued with every southern idea.

He suddenly reverted to the red flag of anarchy, and for fully five minutes not only denounced the flag as an emblem of the traitors to this country—to civil government and to law and order everywhere—but he denounced every public official who sympathized with that flag.

In eloquent words he pictured the scene in Boston the other day where an anarchist carrying the red flag was seized by an officer of the law and taken to jail.

Growing eloquent over his subject, the Secretary denounced the head of every city that would permit the red flag to be carried or its soap-box orators to be tolerated.

One would have thought from the speech of the Secretary that he had been familiar with conditions prevailing in Seattle since Cotterill has been mayor, but as a matter of fact no human being had uttered a word to him about the matter.

The speech, the occasion, the incident of the red flag, seemed to be as spontaneous as the Secretary's overwhelming patriotism, but never before in such a place or upon any rostrum have the followers of the red flag, and especially public officials who will protect them, been so scathingly rebuked.

[From the Seattle Times, July 20, 1913.]

"I BELIEVE IN FREE SPEECH AND A FREE PRESS AS THE BULWARKS OF OUR LIBERTY"—JOSEPHUS DANIELS, SECRETARY OF THE NAVY.

(By C. B. Blethen, managing editor of the Times.)

Here is a brief account of the futile attempt made by a foreign-born American mayor to suppress an American newspaper for its defense and championship of the American flag.

Shortly after George F. Cotterill became mayor in 1912 his attention was called to the anarchistic street meetings held on many corners of the city—notably by the Times Building—where disloyalty, treason, and destruction was nightly preached to whoever cared to stop and listen. The mayor gave no heed. His attention was called to the situation again—and more forcefully. He was reminded that Mayor William Hickman Moore had prevented attacks on the American flag during his

term of office and had kept the red emblem from display in Seattle's thoroughfares.

This time the mayor answered. In a burst of Thomas Rot and worse he told us tax-paying citizens of Seattle that all men were free and equal and that the anarchists and I. W. W. could go as far as they liked. If we didn't like what they said and did, we could go hold soap-box meetings of our own.

Naturally the Reds got hold of this fine piece of information. We all remember what followed—the parade of the red flag up Second Avenue under the protection and sanction of Mayor Cotterill, the mayor's treasonable utterances about the rights of the red flag and its followers, the fight in upper Second Avenue, and the destruction of the anarchistic rag.

From that day to this the struggle between the Times on one side and the mayor and his Reds on the other has gone on night and day. The Times has waged a single-handed fight for Old Glory, gladly standing on the firing line for the honor of the flag and our country.

What this fight against the enemies of America has meant to the Times and the Blethen family all those who remember the fire of the morning of Thursday, February 13, know well. Our building was destroyed, but our flag flew through the fire unscorched. We don't know that the enemies of the flag and the country did this thing, but so fiendishly was the fire kindled that it has never seemed within the bounds of reason that it could have been commenced in any other way than at the hands of the Reds.

But our flag stayed up. They could destroy our building—they even might destroy the paper's heads—but the Times is an institution greater than all the men contained in it, a living thing that shall go on forever laboring in the cause of right and justice, no matter what comes to individuals connected with it.

The battle continued. The red flag was flaunted again in the streets of Seattle, and again the Reds received, directly or indirectly, the assurances of the mayor that they would not be molested. The speeches became worse and the attitude of the enemies of society more brazen.

The Potlatch began and the Secretary of the Navy came into our midst. Standing under the great flag of the Rainier Club and before his own standard of office, Mr. Daniels made the resounding speech of Thursday night—made it in the pallid presence of the man he did not know he was denouncing, but who nevertheless felt at last and properly the lash of American opinion.

Almost at the very instant the mayor sat green and sweaty under the Secretary's terrible blast the Reds of Washington Street—permitted and encouraged to exist by Mayor George F. Cotterill—were stabbing and beating sailors of the Secretary's own ships; stabbing and beating them because they wore the uniform of the United States.

Friday night the sailors came ashore for revenge and got it. Never was a more dramatic nor poetic revenge. It was not right. Two wrongs can never make a right. But the sailors administered punishment where they felt punishment was due.

Saturday morning Mayor Cotterill awoke to find his folly beside him. The city had been disgraced by riots, reported throughout the press of the United States. His and his only was the blame for the flaunting of red flags, the stabbing of sailors, and the destruction of property that followed.

Then, apparently, the man went insane. His order making himself a dictator and king followed. He would prevent the Times from publishing its editions, close the saloons, stop the parades, prove to the world that he, George F. Cotterill, was master of the little puddle in which he squatted.

Digress here to note the proof of an unbalanced mind. The Reds had beaten and stabbed sailors, he reasoned. The Times was the enemy of the Reds and the defender of the American flag. The sailors had come back and destroyed whatever they could of Red property and everything they believed dangerous to their country. Therefore the Times was responsible for the riots because it had published what Secretary Daniels had said about the red flag and printed an account of the brutal attack on the sailors.

So, squatting in his little puddle of self-esteem, this foglike thing struck at the fundamental principal of American liberty—the freedom of the press.

But a strange thing happened—that is, strange to George F. Cotterill. His puddle ceased to be all his own. It became Seattle's, and turned from puddle to lake of popular disapproval and then to ocean of law's might and outraged dignity of the people.

For Mayor Cotterill was compelled by the courts to doff his self-adjusted crown. He was ordered to withdraw his police from the Times Building or go to jail. The police were withdrawn. Cotterill stayed out of jail.

And while the American flag still flies over the Times Building the waters of popular disapproval and disgust close over his head.

[From the Seattle Times, Thursday, July 24, 1913.]

**TIMES' ACCOUNT OF OUTRAGE CONFIRMED BY VICTIM OF REDS—SERGT. ALFRED BOEHMKE, STABBED FIVE TIMES BY INDUSTRIAL WORKERS OF THE WORLD, GIVES SWORN STATEMENT OF SANGUINARY AFFAIR—ABUSED BY WOMAN AND THEN ATTACKED BY MEN.**

In a sworn statement made to Col. C. J. Bailey, Coast Artillery Corps, commanding defenses of Puget Sound, Sergt. Alfred Boehmke, one of the soldiers set upon and stabbed by the Industrial Workers of the World in Washington Street last Thursday night, verifies the Times' account of the cause and the manner of the reds' vicious attack. Sergt. Boehmke declares under oath that as he and Sergt. Frank Santerre and Pvt. Patrick Coyle, Ninety-second Company Coast Artillery Corps, stood listening to the abuse heaped upon the Stars and Stripes and the Army and Navy by a woman orator, an Industrial Worker of the World, pointing out the three men to his companions, struck him a brutal blow in the face with his fist. Then, he says, the fight became general, with the red-flag followers outnumbering the soldiers 100 to 1.

During the struggle, Sergt. Boehmke asserts, he was cut under the eye, stabbed once in the back of the neck, twice between the shoulders, and slashed above the ear. The extent of his wounds is borne out by the report of the physician who attended him at the city hospital. Santerre and Coyle also were wounded and had great difficulty in making their escape.

MERELY INTENDED TO WARN.

A statement to the Times to-day by a private in the Fourteenth Infantry who was a participant in the raid on and sacking of the Industrial Workers of the World and Red Socialists' headquarters by the soldiers and sailors Friday night, declares at the outset that the Army and Navy men had rankled for a year under the insults Mayor George F. Cotterill has permitted the reds to direct at Old Glory; but that,

while their actions were more or less premeditated, it had been intended merely to warn the Industrial Workers of the World and their sympathizers that further abuse would not be tolerated.

The soldier asserts, further, that destruction of the Industrial Workers of the World headquarters probably never would have taken place but for the fact that the first sight to greet the soldiers and sailors upon their entrance to the Washington Street rooms was a picture of Abraham Lincoln draped with the red flag.

This, the man points out, was the last straw, the final aggravation, and the men no longer could be restrained.

The soldier also vouchsafes the information that while in the excitement of the raid they damaged property belonging to the "true Socialists," with whom they have no quarrel. Funds are now being raised to make restitution to this wing of the party.

"I was down at the boat and reported my departure on leave of absence, and with Sergt. Frank Santerre and Pvt. Patrick Coyle, Ninety-second Company Coast Artillery Corps, spent the evening at various places of amusement until approximately 11 o'clock p. m., when we started down for Chauncey Wright's restaurant to get something to eat.

"On our way to the restaurant there was a woman orator on the stand running the Army and Navy and national flag down by such remarks as:

"Do not enlist in the Army."

"They are no good, and none of them are worth anything."

"All of their mothers are washerwomen, and instead of being home working and helping them they join the Army just to lay around."

"I made the remark to Sergt. Santerre that after parading all afternoon that is all the credit we get. As I said that one of them turned around and said: 'Here are three of the ——— now.'"

"When I heard that I turned around, and without even a chance to say a word one of them struck me a blow in the face with his fist. After I was hit I struck back, and the fight started."

"They got us in the center, taking punches at us whenever they had the opportunity. The sailors were probably 5 or 10 feet back of us. They also took part in the fight. When I was in the center I saw the fight was hopeless on our part, being outnumbered one hundred to one, and Sergt. Santerre being unable to defend himself in any way and I was afflicted with knife wounds also and Pvt. Coyle almost put out, got out of it the best way we could from there on."

The statement of the Infantry private follows:

STATEMENT BY PRIVATE.

"The riot of last Friday evening, when soldiers and sailors sacked and burned Industrial Workers of the World and Socialist headquarters, was the culmination of more than a year's abuse of the American flag and the men who fought for it. That articles appearing in the Times were responsible in any way is ridiculous. Since May 1, 1912, soldiers and sailors who have been assigned here have been warned by their predecessors that they would be maltreated."

"This year the enlisted men decided to find out for themselves the conditions that existed here, and to that end two soldiers, two sailors, and two artillerymen held a conference a week ago last Wednesday and planned a trip through the Washington Street district to hear what was going on. It was arranged that the six should make the trip the next evening, Thursday, July 17."

"Accordingly they met Thursday evening, and three of the soldiers parted from their companions to walk leisurely up Washington Street. As they passed the Industrial Workers of the World headquarters, in front of which place a street meeting was in progress, a woman was addressing the throng and a man was standing beside the stand leading the cheering."

"As the soldiers passed they say the man shouted: 'There goes some of those ———. All they do is to lay around in bunks.'"

ARMED MAN LEADS MOB.

"Without waiting to see if the soldiers would respond in any way, a man brandishing a stiletto jumped out from the crowd and started for the men. Instantly the crowd closed in and all attacked the soldiers. One of the other three men had left the party and started up First Avenue, but the two remaining sailors dashed to the assistance of their comrades. The crowd sat upon them also. It was then the police arrived and dispersed the crowd."

"That was the climax. Friday morning word was passed around through underground channels that all enlisted men obtaining leaves of absence that evening would assemble at Pioneer Square at 8 o'clock. At this time no violence had been contemplated; but the sense of the meeting was that the reds should be warned that such outrages against the flag and the uniform of Uncle Sam must stop."

"The assembled men were divided into three brigades, one going down First Avenue to Washington Street and turning up Washington, the second down Occidental and down Washington, and the third going through the alley between First and Occidental Avenues."

"When they reached I. W. W. headquarters entrance was soon gained by means of the fire escape. Upon their entrance the first thing they saw was a picture of Abraham Lincoln, around which was draped a red flag. That was more than they could stand, and their peaceable intentions vanished into thin air. The work of demolition began and was completed in a short time in a masterful and thorough manner."

ASKED TO DISPLAY FLAG.

"From then on it was a question of visiting the other places, requesting them to show an American flag by the time they returned or suffer the consequences. In the other headquarters they found people assembled, but none heeded the warning, and on the next visit the furniture and literature was demolished. Had they displayed an American flag nothing would have been touched."

"As an example, after one Socialist nest had been seized and a flag hoisted, some civilian threw a stone through one of the windows. Instantly the men turned on him and made him kiss the flag on bended knee. It is true that in the excitement some property was destroyed that should not have been, and the boys are now taking up a collection to make restitution."

"We want it distinctly understood that the men who planned and executed the affair of Friday night were entirely sober. Most of the men take a drink when they want it, but to carry through an expedition of the magnitude of that one with only one man slightly hurt requires sober men, and they were plentiful."

"The trip to the city Saturday night was for the express purpose of 'seeing' Mayor G. F. Cotterill. Saturday morning he telephoned to the commanding officer of every post and by messenger to the ships asked that they have guards downtown that night, as he was afraid of another riot. According to rumor, the officers offered to keep every one on the reservation and if necessary to place them under arrest to avoid further trouble. 'Bring them down if you care to risk them,' the

mayor is reported to have said. The result was as could be expected. Every man who could get away was on the street in uniform, and all along the streets they were continually asking where the mayor was. Needless to say, he was not to be found.

"I want to say in conclusion that the men are more than delighted with the stand the Times has taken in this matter and they are all for it first, last, and all the time. Too vigorous methods can not be adopted to stamp out this red evil, and the next insult offered to the flag or the uniform in any public place will be speedily and effectually answered."

[From the Seattle Sunday Times, Sunday, July 27, 1913.]

WHILE DEFENDING HIMSELF AGAINST CHARGES OF MALFEASANCE COTTERILL MAKES MANY FALSE ASSERTIONS.

In a four-column statement published in Cotterill's "organ," in an effort to defend himself against charges of gross misconduct in office, many absolute falsehoods are made. Note the following:

Cotterill claims that the Times is the advocate of a vice syndicate and a defender of crime.

Every letter, syllable, and word contained in that statement is the blackest kind of a falsehood, and Cotterill knew that they were false when he uttered them.

Cotterill declared that the Times is in favor of "a wide-open policy," instead of the kind of administration that he is running.

The Times was never in favor of a wide-open town, and Cotterill knows that fact. If the Times had been in favor of a wide-open town, how did the following happen?

Why did the Times fight for years for "midnight and Sunday closing"? It did so fight, and at last succeeded, with but very little help from Cotterill.

If the Times is in favor of a vicious element indulging in liquor, why did it fight for high license and local option? The Times made that fight very nearly alone, but it won, and won without the help of Cotterill.

The "wide-open policy," inaugurated 20 years ago by Baldy Rogers and continued under the Humes administration, was fought day and night by the Times from August, 1896, when the present editor took charge, down to the close of that administration.

The Times is not in favor of "State-wide prohibition," has never been, and never expects to be, because it believes that that is a theory and not a practical problem.

Nothing short of Nation-wide prohibition will ever succeed in America.

The Times is opposed to the hypocritical administration which Cotterill runs, because he has substituted the bawdyhouse scattered throughout the city for a segregated district, and the Times believes that if vice can not be segregated it should not be tolerated.

It can not be eliminated by scattering, as Cotterill has continually done.

In his vicious attacks against the Times and its editor, Cotterill forgets that until the 10th day of May, 1912, he always sought to reach the public through the columns of this paper.

Indeed, his last visit occurred under circumstances that led the editor of the Times to believe that Cotterill was just as friendly as he had ever been, and within six weeks of that date Cotterill had expressed the strongest approval of all the Times had done for him through the primary canvass and the ultimate election which put Cotterill into the mayoralty chair.

It was only when Cotterill was compelled to choose between the flag of his country and the support of the Times on the one hand or his friendship for the dynamic Socialists and the followers of the red flag on the other that he began to imagine that "the Times was a vicious publication."

However, the Times is entirely satisfied as matters now stand, because it would rather have the honest and sincere support of the great body of business men and taxpayers than to have the sympathy and aid of any man who is ready to substitute some false and vicious emblem—one that has been known only as a signal of danger—for that of his country.

The single mistake that the editor of the Times made was trusting Cotterill at that last visit in May, 1912.

During the conversation the old indictments found by the Corliss grand jury and thrown out of court by Judge Ronald were discussed.

To show Cotterill, who was then believed to be friendly, how desperate Corliss and his sleuth, William J. Burns, had become, he was informed of a proposed piece of testimony to be introduced by the prosecution of a most damnable character.

The effort was to connect the editor of the Times with the vicious element of the tenderloin, with which the editor had never had the slightest relation—never having even stepped within its boundaries during its existence.

The testimony was an alleged photograph faked for the purpose, but representing the editor with a lewd woman under extraordinary circumstances.

When this information was brought to the editor he determined to be prepared to demonstrate to the court and jury how easily photography could be faked, and chose representative men to illustrate the fact.

Cotterill was informed of the circumstances under which this occurred—the name of the photographer who did the work, one of the most reputable in Seattle, and who would have testified to the methods employed to show how easily photography can be faked—and was also shown the pictures themselves.

The sole purpose, as Cotterill knows, was to demonstrate the viciousness of the Corliss-Burns gang, and to what ends they would go to convict an innocent man of crime.

No opportunity was presented for the use of the photographs for the simple reason that the State could not use the one reported to be had because the court dismissed the whole affair by directing a verdict for the defendant without his taking the stand.

These were the facts, and Cotterill knew them when he wrote his vicious story for his "organ" and afterwards delivered it to the Post-Intelligencer.

"Faked photographs" have been used to convict more than one innocent person—and on one occasion one was used to drive a leading minister of their city from its limits.

If any such photograph was in existence and the defendant had been compelled to take the stand in that infamous Corliss-Burns indictment without the ability to instantly annihilate it by showing how other prominent men could be put in the same attitude, no escape from its effects would have been possible.

And yet this man, who day after day misappropriates the city property to his personal use—this man who day after day violates his oath of office by permitting anarchy to be preached in the streets of the city—this man who does not hesitate to violate the Constitution of the

United States by declaring martial law—would try to make the people of Seattle believe that what the editor did in that case was a high crime and misdemeanor.

On the other hand, what the editor did was simply to prepare to defend himself against an outrage.

Cotterill's statement that the Times was "the organ of the vice syndicate and contributed money to recall him last summer" is on a par with all the rest of his statements. There isn't an iota of truth contained therein.

The Times not only refused to contribute one penny, but refused to give publicity until after those who were seeking Cotterill's recall should have taken some public step that made the act news.

Cotterill could have ascertained those facts from the men who conducted the campaign against him last year, provided he had desired to tell only the truth.

The Times had always been a consistent opponent of the "recall law" until it was made a constitutional provision and adopted by a majority of the people—when it took its place among the fundamental laws of the State, and should be enforced the same as any other fundamental law.

As soon, however, as attention was called to the fact that charter provisions made it possible for the council to remove the mayor under proofs of malfeasance in office, the latter plan was much preferred.

The foregoing is told in reply to Cotterill's tirade merely for informational purposes and to demonstrate how Cotterill by telling a "half truth" can tell a double lie.

[From the Seattle Times, Tuesday, August 5, 1913.]

RIOTS OF POTLATCH WEEK LAID AT DOOR OF MAYOR COTTERILL—COUNCILMAN GRIFFITHS, SPEAKING IN SUPPORT OF RESOLUTION CENSURING EXECUTIVE, MAKES PLAIN STATEMENTS—INACTIVITY AT START ALLOWED MOB TO RULE—OFFICIAL THEN WENT BEYOND HIS POWERS UNDER LAW IN ATTEMPT TO DECLARE MARTIAL LAW IN CITY OF SEATTLE.

Holding Mayor George F. Cotterill responsible for the rioting of Potlatch week and condemning that official for his arbitrary acts hours after the trouble was at an end, Councilman Austin E. Griffiths yesterday addressed the council in support of his resolution censuring the chief executive and voicing the disapproval of the council in the performance. Although the resolution was indefinitely postponed, the councilmen heard the mayor given full credit for the disturbance, Griffiths holding that executive inactivity at the time the trouble started alone was responsible for its spread.

Griffiths was supported in his contention by Councilmen John G. Peirce and Thomas A. Parish, while Councilmen A. J. Goddard, Charles Marble, A. F. Haas, Oliver T. Erickson, and Robert B. Hesketh voted to indefinitely postpone action, and thus ignore the mayor and his uncalled for usurpation of the powers of a czar.

Griffiths insisted that unless the council in some manner expressed dissent the action of the mayor will be taken by future inquirers or historians as having received the sanction of the council. In such way, he insisted, harmful and unlawful practices harden into binding precedent.

Councilman Griffiths at some length reviewed the incidents leading up to the destruction of property and the unlawful action of the mayor, declaring that anyone in authority who flinches through fear or sympathy before the gathering of a mob in a great city should be relieved from such place of responsibility. He declared that it is an error for any mayor after taking charge of the peace forces of the city to assume arbitrary powers or to suspend fundamental rights; that unlawful speaking on the streets or other places should be punished and that there is ample authority to arrest and punish unlawful street speaking now vested in the mayor and the other officials.

#### GRIFFITHS'S STATEMENT.

"The action of Mayor Cotterill so far as he attempted to set aside lawful private rights," said Griffiths, "should not be regarded as a useful or lawful precedent.

"It may be said the matter should be forgotten, but in fact a matter like this is not forgotten. It might be if a city were not making its own history and character. Unless the council in some manner expresses dissent the late action of the mayor will be taken by future inquirers or historians as having received the sanction of the council. In such way harmful, unlawful practices harden into binding precedent.

"Before coming directly to the act of the mayor which subverted fundamental liberties, let me advert to the preceding circumstances.

"Our Potlatch was a holiday making. We invited people from far and near. We invited one of the chief officers of the Nation. We earnestly desired detachments of the Army and Navy to add to the pleasure of the occasion.

"It was not assumed that anything out of the ordinary would occur. Yet our police was much strengthened. Also the mayor at any time may appoint any number of emergency police.

"On Thursday night the first disorder took place. The man or men who insulted the woman speaker and the men who injured the soldiers and sailors should have been promptly arrested. That is what police are for—to enforce the law, maintain order without fear or favor. If this had been done the sailors would have felt their comrades had received protection.

"The same night the Secretary of the Navy spoke. A Secretary who does not feel and express glowing, generous pride in the flag of his country is not fit for that high place. His remarks were reported in the press.

"The street disorder was also reported. This was right, but in my opinion the disorder was needlessly enlarged and probably exaggerated. We must realize that in large seaports the world over soldiers' and sailors' troubles and fights are liable to arise. For most of them civilians are to blame. Our men in uniform while on leave must be respected and protected, but if they are guilty of an offense they should be punished like anyone else, for the law makes no distinction between persons. Yet for the good of the service, if for no other reason, such occurrences should be temperately considered.

"Friday night came. Various warnings or intimations were given that reprisals and disorders might be expected. To anyone who knows the alacrity of sailors and soldiers, especially sailors and even students, to avenge an injury to one of their number no warning is needed. No police preparation was made. The rioting began in a small way and grew worse as immunity from the police became manifest. The rioters, a majority of whom were civilians, I am told, went from place to place sacking and burning the particular property they sought. In this they were watched by our police as interested spectators and followed by our fire department to put out the fires. Was ever a spectacle more humiliating? That more damage was not done was due wholly to the will of the mob.

## PEACEFUL ON SATURDAY.

"The excuse for such supineness is that interference might have ended seriously. The most serious, the most dangerous menace to life and property is the mob spirit. That should be quelled instantly and, if necessary, by stern measures. A big city is a tinder box, the mob a spark. No one in authority dare risk his city in the hands of rioters. Anyone in authority who flinches through fear or sympathy before the gathering mob in a great city should be relieved from such place of responsibility.

"Assuming for the moment but not admitting that these two disorders were political or social in character, and that similar disorders may follow in this and other cities, it becomes all the more imperative that order be preserved. Order is the basis of everything we all seek. No greater task rests upon our cities than to maintain at all hazards law and order while our political or social changes are slowly worked out at the ballot box.

"Saturday morning found the city peaceful—occupations going on as usual and the multitude bent on their holiday. The tumult was over; order everywhere restored.

"One great power vested by charter in the mayor is to maintain peace in the city. To do so he may, in an emergency to be decided by himself, take personal command of the police force. Saturday morning he did so, after two disorders had been neither prevented nor stopped. In this he was within his clear, legal right, and also justified by the previous events.

"By this act, however, the mayor obtained the following authority: The personal obedience of the chief, of each member of the force, and the right to call upon every male person over 18 years of age to aid in the enforcement of the law of the State, and the ordinances of the city. He thus became active head of the physical police forces.

"If, with these forces at command, any mayor should find himself unable to prevent or suppress riots which threaten overthrow of law and order he should call upon the sheriff and governor. Riot is felony. Although a city possessing limited powers, we are as to law enforcement especially an integral part of the State. The governor alone has power to proclaim martial law. This is only proclaimed when the local and civil authorities are deemed powerless to preserve order. In this State I understand the law to be that the governor may quell disorder without the usual proclamation.

"Martial law may close the courts and suspend civil authority until order is restored. All the powers and functions of the city itself may be suspended during the supremacy of this law. Even our greatest protective right, that of habeas corpus, is unavailable.

"It must be apparent then, that under the charter and laws of the State, no mayor possesses such power nor any authority analogous to it. His authority to maintain peace extends to the enforcement of existing laws and ordinances and of such emergency legislation as the city council may then enact. Assuming personal command of the police gives no mayor military in place of civil authority, nor the power of a dictator. On the contrary, the purposes of the charter is to enable the mayor to enforce civil authority and thus enable the people to pursue their usual ways in peace. In doing this he may read the riot act, command the crowd to disperse—if they do not, the consequences are upon their own heads.

## LAWS ARE AMPLE.

"It is error, then, for any mayor after taking charge of the peace forces of the city, to assume arbitrary power to suspend fundamental rights. This is true regardless of the motives or character of any mayor. Different mayors have different opinions, different friends, different prejudices. It is scarcely necessary to say that the right peaceably to assemble on the streets for lawful speaking thereon without obstructing travel or becoming a nuisance to property owners thereby, the right to publish and sell newspapers, even the right to conduct an orderly, lawfully licensed saloon are, in the absence of prohibitory legislation, legal or constitutional rights. However, saloons being regarded as trouble breeders, are often arbitrarily closed.

"But street speakers or editors who speak or publish sedition, criminal anarchy, or incite to violence, and saloon keepers who violate the law may be arrested and punished under existing laws.

"There is a distinction to be drawn between peaceably assembling on the streets for lawful speaking and unlawful speaking thereon. The former should be allowed, the other punished. The advocacy of sedition or criminal anarchy, especially upon public streets and places, should be sternly dealt with; but to do so should not interfere with or abridge the rights of others who keep within the law in the advocacy of their views. In this country, where manhood and, in some States, universal suffrage prevail, and in this State the initiative, referendum, and recall, all political, industrial, or social contentions may and must be settled at the ballot box. Therefore there can not be the remotest excuse for sedition or criminal anarchy.

"With this distinction in mind, there is, I maintain, ample authority to arrest and punish unlawful street speaking.

"Because this is a Government of laws and not men, because government by proclamation does not exist, because government rests upon fact, not fiction, the late action of the executive, so far as it attempted to set aside lawful private right, should not be regarded as a useful or lawful precedent.

"It may be said the council should not adopt the resolution because the council was not responsible for the action referred to. That is true, and for that reason such a declaration is the more desirable—particularly since it is the council which may be called upon to allow or disallow bills against the city claimed to be based upon wise or unwise, lawful or unlawful, executive action.

"In closing may I add that as to the disposal and conduct of the police and their allies, the firemen, soldiers, and marines, so far as I observed it during Saturday night, I have only good words.

"To me the lesson of this whole matter is that in dealing with local troubles, all alike, officials, newspapers, and people, should avoid undue alarm and not give to them undue importance."

[From the story as told by the sailors themselves—Pacific Naval Monthly, August, 1913.]

## CAUSE AND EFFECT.

The attempt of the leaders of the I. W. W. and Red Socialists of Seattle to lay the blame for the recent patriotic uprising in Seattle during the Potlatch to an address of the honorable Secretary of the Navy or to officers of the fleet, and who have made more or less vague accusations, supported by their ready affidavits, to the effect that the swiftly occurring events of the night of July 18 were unofficially ordered and sanctioned by such officers, is most laughable and in strict accord with all emanations from their disordered intellects.

Here is the cause, admitted freely and without any desire to conceal, the real reason as told by the men themselves who took part and whom we are glad to call shipmates:

For over a year our men in uniform when passing Pioneer Square and vicinity, either alone or with but one or two companions, have been made the target for vile abuse by the I. W. W. soap-box orators, who have been permitted to overexceed the right of free speech in order to draw their hearers' attention to our marked men in uniform. They have called them vile names in front of crowds in order to gain the applause and derisive laughter of their grimy listeners. They have humiliated our decent-acting men in a hundred dirty ways, and not only in their speeches, but in their literature, have they abused and vilified the men who feel honored in wearing the Navy uniform. Their rotten literature has been sent to the yard and introduced aboard our ships, and there is not an issue of the foul stuff but what contains slanderous and scandalous attacks on our men and our service. For over a year the resentment of our men has been smoldering, and only their dislike of ungentlemanly conduct and the notoriety attending have prevented a thorough chastising of the scabby haranguers before.

They can blame no one for their punishment but their own vile-tongued orators, who brought a justly proper resentment of a year's standing to a white heat and quick action by their cowardly attacks on three soldiers and two sailors peaceably enjoying the carnival and wearing the uniform of Uncle Sam during their stroll past Anarchy Corner.

The above is the true cause and only reason for the happenings of July 18. Our men have sensitive feelings which the I. W. W.'s hurt. We can stand for a lot of vile abuse, insults regarding our social position ricochet harmlessly off when the source is considered, but when the red flag is hoisted to the accompaniment of vile epithets applied personally above the glorious banner we are sworn to support there is no man worthy of the name in our Navy but what will act and act promptly.

As to the I. W. W. statement that they had received warnings of the action of the Navy men on July 18 from members of their organization aboard vessels of the fleet, the lie is so apparent that it needs no refutation on our part. There are no I. W. W. members in the fleet, to anyone's knowledge. If so, they are keeping such fact mighty quiet, and also that they committed perjury when they took the oath and signed shipping articles.

[From the Seattle Post-Intelligencer, Sunday, July 20, 1913.]

## THE CAUSE OF THE TROUBLE.

To try to put the responsibility for Friday night's disturbance on Secretary Daniels or any other agency is foolish. The blame lies squarely with the Industrial Workers of the World and such of the Socialists as maintain relations with them. The Industrial Workers of the World cheerfully assaulted a little batch of soldiers and sailors and sent them to the hospital. When the soldiers and sailors retaliated in kind it was simply the consequence of the first assault.

The Post-Intelligencer does not approve of the Friday night affair. Rioting and destruction of property is wrong at all times, as wrong for one person or set of persons as it is for another. This newspaper has denounced the Industrial Workers of the World when that organization indulged in lawlessness, and it is no more backward about voicing its disapproval of lawlessness even when it is done under the American flag.

But, at the same time, this newspaper has no hesitancy in saying that the Industrial Workers of the World brought this attack upon themselves. Under the plea of free speech they nightly denounce our Government, our flag, our police, our soldiers, and our sailors. They preach syndicalism and sabotage. They urge upon their followers just those tactics which the crowd indulged in Friday night. That is their own particular theory of government—government by mob, club, and torch.

Their conduct has been tolerated for long. Secure in their privilege of "free speech," with some real or fancied encouragement from the mayor, they have heaped insults and unreasoning abuse upon law-abiding citizens and men of the Army and Navy. When in a cowardly fashion they assaulted five men in uniform they brought retribution upon themselves.

Now, with a shameless inconsistency, they beg for protection from the very forces which they scorn, malign, and insult. They seek the rights of their despised citizenship; blame the police and call on Congress. They are fair-weather rebels, only to play the baby act when paid in their own coin.

And as for the Socialists' complaint that they had no part in the events which led up to Friday night's outburst, it is partly true and partly false. It is the misfortune of socialism that it is not clearly defined; that there are self-styled Socialists at least who are not a whit better than the most rabid of the Industrial Workers of the World syndicalists. There are always Socialists to rush to the rescue of the Industrial Workers of the World. The Socialists, in part, keep bad company. Other Socialists abhor the Industrial Workers of the World, as does every sane person. These law-abiding Socialists have reason to feel hurt, but they must recognize in all fairness that a crowd never makes fine distinctions.

However this may be, the entire incident is to be deplored from its inception to its conclusion. But by no possible twisting of syndicalist logic can the Industrial Workers of the World put the responsibility on anyone but themselves. They started the trouble with an unlawful assault, and that is all there is to it.

[From the Seattle Post-Intelligencer, Monday, July 21, 1913.]

## MAYOR COTTERILL'S MISTAKE.

In the calmness and sobriety that comes with the lapse of time we may now discuss the part played by Mayor Cotterill in the much-exaggerated incidents of last week. The mayor made a mountain out of a molehill, and that is the most irritating and inexcusable blunder a man may make. In proclaiming a sort of martial law when there was absolutely no occasion for it, he demonstrated his incapacity to handle emergencies even when they are past and done with.

The conduct of the people in Seattle Saturday night proved conclusively how little occasion there was for hysterical executive action Saturday morning. The mayor and his advisers may save their faces by pretending to think that they had some repressive part in the general public conduct. If such gives them any consolation, we shall not take it from them.

Not for a moment does the Post-Intelligencer question the motives of Mayor Cotterill. He did what he did under the belief that it was the right thing to do; he did what he thought was his duty. But he did the wrong thing; he committed an egregious error of judgment. It is his hasty judgment that we deplore, not his purpose.

But this newspaper does object with all fervor and all seriousness to the damage foolishly done by the mayor. What was bad enough Friday night, told on every telegraph wire the country over and perhaps cabled across the ocean, was made many times worse Saturday morning by the mayor's proclamation. This proclamation and the regrettable orders that followed it, gave a serious importance to Friday night's trouble that even the mayor himself must now admit was grievously overrated.

To the outside world Saturday Seattle was under martial law. We know how ridiculous that was, with thousands upon thousands strolling the streets watching peaceful parades and otherwise enjoying themselves. Seattle's reputation has, however, suffered with the world at large and it will be difficult to repair it.

Then there is the matter of the many visitors from near and far. Their sniffs and sneers were hard to bear Saturday. Everywhere there were strangers commenting about the city sarcastically or scornfully, and even contemptuously. That is another damage that Seattle has suffered. Many left the city Saturday afternoon. Some credulous ones feared bloodshed, others suspected that the Potlatch fun was done for.

And who could blame them? Closing the saloons and suppressing newspapers are precautions ordinarily taken only when officials are confronted with a crisis—when there is danger to life and property; but he who could see a crisis Saturday morning was afflicted with a bogymen hallucination as pitiable as it was regrettable. Closing the saloons was a pious thought, especially as the saloons had not the faintest possible responsibility for Friday night's disturbance.

Friday night it was bad enough. There is no need to minimize it, but it was a definite demonstration for a definite purpose; and this purpose accomplished, the incident was closed. Had the mayor exercised ordinary common sense he and his chief of police would have looked to their preventive measures for Saturday night calmly and with circumspection. With the police force and the provost guards furnished by the ships, unheralded by proclamations, the peace of the city would have been safeguarded. If there was anything calculated to breed trouble, it was that miserable proclamation. That there was no trouble only brings into stronger relief the blundering fright of the mayor.

All this being admitted, or even if it be questioned or denied, there is now but one thing for us to do. Forget it. The incident is over, the blunder made, the damage done. Harping on it further will only make matters worse. In spite of it all, the Potlatch was a success. The people enjoyed themselves, with the spectacles, parades, and the noise. There will probably never be a repetition of this foolishness. Future executives will view this proclamatory fiasco and keep their senses. Future chiefs of police will see to it that there is no provocation for retaliatory riots.

So now let us all get down to our business, since our holiday is over. Seattle has many serious things to do and can not afford to waste time, energy, or patience holding post-mortems on what might have been. To those who are yet indignant we bespeak forgiveness and forgetfulness. The severest rebuke and the most effective is to consider the incident unworthy of further notice. So let us end the matter now once and for all.

[From the Seattle Post-Intelligencer, Tuesday, July 22, 1913.]

#### SOCIALISTS AND THE FLAG.

Without the least desire to excuse the assault made on the Socialists and the destruction of their property, the Post-Intelligencer respectfully calls their attention to the subjoined communication. It was printed in the Post-Intelligencer of March 25, 1912, and is signed by Bruce Rogers. The same Bruce Rogers wrote the statement to President Wilson which appeared in this newspaper Monday morning. Even the Socialists must see that there is a conflict of principles in the two statements.

In one Mr. Rogers frankly voices the Socialistic opposition to the American Government and to the American flag. In the other he takes an entirely opposite view of the Government and the flag. Here is what Mr. Rogers wrote a little more than a year ago.

TO THE EDITOR:

When a State committeeman of the Socialist Party in the Seattle convention of that party suggested adjournment until the United States flag be added to the decorations, he started a near riot, and his motion was overwhelmingly voted down.

The most rudimentary regard for the bourgeois intelligence of the community makes pertinent and unequivocal statements from the Socialist in the premises, and really there seems no need to beat about the bush or beg the question in any manner.

"We do not regard the American flag in any greater degree than we do the Russian, German, or English flags, or that of any other capitalist or feudal nation whose people depend in the main for their food, clothing, and shelter upon the capitalistic mode of production involving the essential exploitation of labor through a system of wage slavery. We propose to abolish all such systems and governments and to substitute therefor a manner of human society by cooperation and mutual aid."

"Pretty much like the present-day trusts, and based directly upon the industries. To be absolutely direct, we propose the entire overthrow of the Government of the United States and to establish an industrial Republic wherein all present-day political functions will become extinct."

In this view I am quite free to say that we may not be accurately regarded by whoever may be concerned as other than revolutionists. Such, indeed, is the case.

The Socialists are an international party, and as such we think infinitely more of our fellow workers in foreign countries than we do of the capitalists in our own country, say, for example, the workingmen of Canada, Mexico, or Timbuctoo, for that matter, than we do of the mine, mill, and factory owners of the United States who so readily send troops against us under the Stars and Stripes to jab their bayonets into the pregnant loins of our women, and whose police beat our wives across pulsing nursing bosoms.

"As an international we have chosen a flag—a blood-red banner, symbolic of the common ichor of the aspiring human heart."

It was the first flag raised in all the world and when the world was young. It was woven of the spangled rays of the first clear dawn of civilization. It was the daylight signal of our fathers who by night built their beacon fires on a thousand hills. It was the ensign of Spartacus and the rebelling gladiators. It inspired the early Christian communists, and in later days became the first standard raised in the American Revolution at Breda Hill, by Gen. Warren. The Moravian sisters of Bethlehem, Pa., wore a red silk flag and presented it to Count Putaski, and it was carried at the head of the continental cavalry, and the daring Pole was buried in its folds. We have chosen

it. To it alone are we loyal, and we will follow it until we have made a place fit to live of the wolf-den world when we have restored the earth and the machinery to labor.

BRUCE ROGERS,  
State Committeeman Socialist Party.

MARCH 25, 1912.

Again, most emphatically denouncing all riots, assaults, and destruction of property, no matter by whom committed, or under whatever flag, there is still the matter of veracity, which must be maintained. Our Socialist friends have seen fit to weight down an otherwise just complaint with propaganda, which invites a harsher scrutiny than natural sympathy would otherwise accord it.

[From The Argus.]

#### MAYOR COTTERILL HAS DISGRACED SEATTLE.

As a rule there is nothing to be made by crying over spilled milk. Seattle has been disgraced and humiliated. It may be that it would be proper to forget all about it and start over again, and see if we can not do better next time. Unfortunately, however, it is necessary first to learn where to start, and this involves a free discussion of the humiliating incidents of last week. And in order to intelligently discuss them we must go some distance into the past.

Under Mayor H. Gill Seattle was run wide open. The people who objected to this course refused to take their medicine and Gill was recalled—and this recall was the first act in the drama which lead up to the exciting scenes of last week. At the next election Gill was a candidate. Had he been allowed to serve out his term he would not have been. And his candidacy made the election of George F. Cotterill, a man who is not fitted for the office he holds, possible.

So bitter was the feeling against Gill that even some saloon keepers who did not believe in a wide-open town voted and worked for Cotterill.

George F. Cotterill is a crank and fanatic. He does not possess a well-balanced mind. It is impossible for him to form an unbiased opinion on some subjects, and such a man is not to be trusted. It had been the policy of former administrations to discourage the followers of the red flag of anarchy. Mayor Cotterill was the recipient of the anarchistic and socialistic votes. Even card socialists voted for him—and a card socialist takes an oath to vote for none but a socialist.

In other words, we have a socialist for mayor of this city, and as humiliating as it is we may as well admit it.

Mayor Cotterill has allowed the red flag to be carried through the streets. He has allowed ignorant foreigners, who have been kicked out of their native countries, to hold forth nightly and curse the Government and all of our institutions in the public streets. There was but one way that his policy could terminate, and it was no occasion for surprise that a number of Industrial Workers of the World stabbed and beat United States soldiers and sailors simply because they wore Uncle Sam's uniform.

Mayor Cotterill attended the banquet tendered Secretary of the Navy Daniels. At that banquet Secretary Daniels made his speech berating the enemies of the American flag. And those present, knowing the situation and realizing the attitude Mayor Cotterill had assumed, applauded vociferously. Secretary Daniels, seeing that he was making a hit, went stronger, and the stronger he went the heartier the applause. Secretary Daniels, not understanding the situation, evidently made up his mind that he was in the most intensely patriotic crowd he had ever met and went the limit.

The feelings of Mayor Cotterill must be left to the imagination.

At the very time this speech was being made some of the Secretary's men were being manhandled by the very men he was giving their deserts. The man who was so badly injured went aboard his ship and told the story. An hour after he had arrived on board the plan of action which was later carried out was formulated, and the men on every ship in the harbor had been notified by "underground messages." In other words, 12 hours before the Times appeared on the street with its report of Secretary Daniels's speech, which was not one iota overdrawn, the retaliation had been planned.

The attempt to suppress the Times was the most highhanded outrage ever attempted in this community. It has made Seattle a laughing stock for the entire country. But it did not succeed, and therefore why not forget it?

Mayor Cotterill has encouraged, at least passively, the socialist, the anarchist, and the Industrial Workers of the World. When the situation got beyond his control he attempted to handle it by suppressing a daily paper and by closing the saloons which had paid big license fees besides thousands of dollars toward the celebration which was then in progress.

This, then, is the situation. And now, what are we going to do about it? A recall started the situation. A recall will not end it. The chances are that the mayor has learned a lesson. He has killed himself politically. It is much better to allow him to serve the remaining few months of his term and then forget him. After all little harm has been done individuals. It is the entire community which must bear the humiliation and disgrace. We have a council capable of passing laws to suppress street speakers. Leave the matter to it.

And after all Mayor Cotterill is not wholly to blame. He has done the best he could with the equipment that God has given him. In attempting to suppress the Times he was doubtless actuated by malice, although probably he did not recognize the motive. In attempting to close the saloons he doubtless thought he was doing his duty. At present the sentiment in this community is strongly anti-Cotterill, but just as sure as this silly recall agitation continues it will reelect him if he is a candidate to succeed himself.

[From the Town Crier, Seattle, Wash., Saturday, August 2, 1913.]

#### RESPONSIBILITY.

A characteristic four flush for the benefit of his disorderly friends is the best that can be said of Mayor Cotterill's attempt to make the city of Seattle settle with the Socialists for the damage done their property by the soldier-sailor-civilian mob. There is no doubt that the property was destroyed; the extent of the damage seems to have been moderately estimated, the total amount which the city was asked to pay being only about \$3,000—not much for taxpayers to worry about had it been a just claim.

The city of Seattle was host to the soldiers and sailors only by courtesy; they were really here in response to the invitation of the Potlatch management; here more directly as the result of orders from the War and Navy Departments, so it is difficult to fix any of that sort of responsibility, moral or financial, that a host is supposed to assume for the behavior of a guest. Street-corner anarchists, grown arrogant under the patronage of the mayor, started the riot, but

the I. W. W., who seem to have no claim for damages, blame Secretary of the Navy Daniels for inciting the subsequent riot, and the mayor, in his frantic proclamation, blamed the Seattle Times and the saloons. Still we can not discover why the city should have been asked to foot the damage bills.

Mayor Cotterill, of course, attributed responsibility to the city for the reason, as he said, that the city's police failed to do its duty and prevent the destruction of the Socialists' property. Will the mayor O. K. claims for personal damages if they are presented by the soldiers and sailors who were beaten and stabbed in the first row, and who were given no police protection? Probably not. The fault really goes back to Mayor Cotterill's toleration and encouragement of the social disturbers of the city; he alone is responsible for the conditions that made the first mean assault and the retaliatory riots possible. If the Socialists or any others have any damages coming to them, why shouldn't they be paid by Mr. Cotterill out of the privy purse?

[From the Argus, Seattle, August 9, 1913.]

#### COTTERILL WANTS TO PAY.

Mayor Cotterill is of the opinion that the city should pay the Socialists and Industrial Workers of the World for the property which was destroyed by the sailors during the Potlatch, and has forwarded their claims, aggregating some \$3,000, to the city council. That body promptly rejected them.

The disciples of the red flag brought this trouble upon themselves. Not only are they morally bound to stand the consequences, but they are legally bound as well, which is about the only thing that counts with them.

These tramps and thugs have for months congregated nightly on the street corners and abused and vilified the constituted authorities. Some of the more zealous attempted to follow verbal abuse by manhandling the men of the Army and Navy. Those men retaliated in a manner which brought joy to the heart of every loyal citizen. And then when the police, whom they have abused so roundly, were unable to protect them, and they were unable to protect themselves from a mere handful of Uncle Sam's sailors who used nothing more deadly than their fists, they cry like a pack of whipped curs and want the Government which they have vilified to pay about three times what their property was worth.

A mayor who had a drop of red blood in his veins or a speck of patriotism in his constitution would have torn up the bill and thrown it in the faces of the creatures who presented it. It might not have been dignified, but one can not be dignified while cleaning out a sewer.

[From the Seattle Post-Intelligencer, Tuesday, August 12, 1913.]

#### FREE SPEECH A FALSE ISSUE.

The complaint of a coterie of citizens obsessed with the notion that they have a message to deliver, because the regents of the university decline to allow the campus to be used as a meeting place, is a false and a tricky one. If these "free speech" advocates can not see the falsity of their position they are in a condition wherein thought and not speech is desirable. But the probabilities are that they well realize the speciousness of their argument and are deliberately up to the old propagandist trick of raising false issues.

Barring speakers from the university grounds is no bar to free speech. Speak they can to their hearts' content in all the unoccupied places of the world and there is nothing to stop them. The regents merely say that the university grounds can not be used for speeches, picnics, or any other purpose than that for which they are intended.

The issue of free speech is in no manner involved in this. The question is one of occupancy. If the Post-Intelligencer, weary of paying rent, should install itself on the campus and assert a right to publish there under the guaranty of a free press, its claim would be greeted with derision and prompt eviction. Nor would any kindly ear hearken to the wall about curtailing the "liberty of the press."

The point at issue between the "free speech" advocates and the public is that the public regards these speakers as a nuisance, while the speakers, with an excess of vanity, deceive themselves into the belief that the public looks upon them as a "menace." There is a subtle flattery in the belief that one is a dangerous person; it inflates the feeling of importance and, above all, it gives vent to that human weakness to hear oneself talk. One can form "leagues," pass resolutions, and cherish a "cause," all of which is very dear to a certain type of mind.

That is all beside the point, however, which is that "free speech" within common-sense limitations is denied no one. If these leagues, socialists, single taxers, and what not are really desirous of free speech, let them turn their attention to securing a park, a lot, or a municipal hall, where speech will be as free as the air we breathe. The Post-Intelligencer will strive with them to get it, and can assure them of success. We fancy, however, that this suggestion will not meet with approval for the very obvious reason that "free speech" is not the issue. They want, more than anything else, opposition, which can best be secured by being a nuisance. And no one has a constitutional right to be a nuisance.

[From the Seattle Times, August 17, 1913.]

#### THE "RIGHT" TO FREE SPEECH.

Seattle could read with liveliest interest, because of its local application, an editorial appearing in the current issue of the Pathfinder, published at Washington, D. C., under the caption, "Right of free speech is limited."

Seattle has heard a great deal about the "right" of free speech during the past few months. Anarchy's friends have invoked it to incite and then to excuse riot-producing conditions.

The Pathfinder, speaking as though acquainted with the local misuse of the term "free speech," declares:

"Some people, hearing that freedom of speech is guaranteed by the Constitution, jump to the conclusion that they have a right to go to any extreme in that connection. But the use of a right is one thing and the abuse of it another."

"Liberty is not license, but license is anarchy, and anarchy is the enemy of all order and progress. The word 'anarchy' means simply 'without rule' or 'without law.' Anarchism makes the individual a law unto himself and allows him to do anything he pleases."

"Such an idea is diametrically opposed to the whole doctrine of free government; the two systems are wholly repugnant."

"As a matter of fact there is no constitutional guaranty of free speech. The Constitution simply says 'Congress shall make no law . . . abridging the freedom of speech or of the press.'"

"The Federal Government, in other words, leaves these matters to State regulation."

"The orators and agitators who go about telling their audiences that free speech gives them the right to preach violence and revolution are barking up the wrong tree entirely."

This editorial enunciates the truth without malice and without favoritism. It will be distasteful to the apologists for anarchy, but not half so unpleasant as the Pathfinder's further pointed comment:

"Most of these anarchists and mischief-makers are foreigners, who have come to this country because conditions here are infinitely better than in their own country. And then they show their appreciation of the liberty we extend to them by abusing it."

"While damning the Constitution, the laws, and the flag, they at the same time appeal to these very things to protect them in their lawlessness. If any violence is used against them they are very prompt to cry out, thus proving that they are not willing to abide by the doctrines they themselves announce."

"No community can afford to tolerate anarchy in any form. Every government has a right to protect itself and every community is justified in using sufficient force to repress the enemies of law and order."

For saying only one-half as much as this eastern publication the Times came under the ban of a mayor who delights to apologize for anarchy.

An effort was and has been made to show that the Times enunciates a revolutionary doctrine in vigorously opposing anarchy and stands alone among the press of the country in fighting to uphold the flag, the laws, and the principles of patriotism.

Yet the publication quoted above, issued in conservative Washington, under the shadow of the Capitol and the White House, unhesitatingly and explicitly declares that a nation or a community menaced by social outlaws possesses a primary right to protect itself and its institutions.

[From the Seattle Post-Intelligencer, August 24, 1913.]

#### FREE SPEECH NOT ON TRIAL.

In the so-called "soap-box" cases recently heard in the superior court the issue was not "free speech," as has been widely stated. On the contrary, the issue was the ascertainment of just how far the individual may have the right to constitute himself a nuisance to his fellow citizens.

Certain business men protested against the blockading of their stores and consequent injury to business by crowds gathered to hear the arguments of street or "soap-box" orators. It was contended by business men that traffic-laden street intersections are not proper places for these impromptu discussions. When the permanent restraining order was granted it referred only to one city block and triangle on Fourth Avenue between Pike and Pine Streets.

It would seem that so elementary a question as the right of one individual to deprive another of the fruits of his industry, without compensation, could be settled with less judicial passementerie. The law, however, has thrown so many safeguards about the liberty of the citizen that his activities may not be permanently limited without full and fair presentation of all the facts surrounding the issue.

So impatient were the defendants in the "soap-box" cases to procure an immediate adjudication of their rights that the hearing for a temporary injunction, though only the second stage of the proceedings, was made the full and final hearing. The decision, it is stated, will be accepted without appeal and used for propaganda work among the masses to indicate the autocracy of the law and courts.

A permanent injunction is granted ordinarily after the deliberations of three court hearings. The "soap-box" cases ended with the second stage of the litigation by the agreement of the parties to the action.

Initial and emergency orders in proceedings of this kind may be obtained without notice to the defendants on an ex parte hearing. Then may follow the hearing for a temporary injunction and finally the hearing for a permanent injunction. The effect of the restraining order and the injunction is the same, except as to the limitation of time. The final order is granted only after exhaustive digestion of all the facts.

The issue is not one of free speech, but nuisance.

[From the Seattle Post-Intelligencer, July 21, 1913.]

#### A LESSON IN MOB RULE.

If the people who subscribe to the outlandish theories of the Industrial Workers of the World had the simple apparatus necessary for the generation of common sense, they would see in last week's little affair a complete refutation of all their logic. It was not the capitalistic class, directly or indirectly, that assailed them, burned their literature, and wrecked their furniture. It was, to use their own terms, the proletariat; it was the mob; it was the majority. Looking back at the incident calmly, it was for the most part an irresponsible mischief-making crowd. The soldiers and sailors, no doubt, were animated by a spirit of revenge, deplorable, but quite natural. The big number of the crowd, however, was looking for easy trouble and a release from the restrictions imposed by the laws of society. What it did to the Industrial Workers of the World it would have done to street cars if there was a street-car strike and what it would have done to mills or factories if there was some other form of industrial trouble. The mob is out for mischief mostly, without any preconceived notion of doing serious harm. But serious harm often comes from what is merely exuberance. And yet these now complaining Industrial Workers of the World members feel themselves aggrieved. They should not delude themselves with the hope that the law is near when mobs can be organized to do logical things and do justice. The mob that destroyed them reacted to exactly the same stimulus as they strive to utilize against the "capitalistic class." It was a beautiful example of class feeling, on patriotic rather than economic grounds. Mob rousing is a game that any number of people can play. The mob is not consistent, and it is just as likely to swoop down on the Industrial Workers of the World as on some millionaire. It is dangerous business always and a failure for governmental purposes. That is something for the brooding Industrial Worker of the World who hopes to lead an avenging army to think over. Human passion in the mass is to be stirred with extreme caution. To achieve anything abiding it must be done by reason, not by emotion. If the Industrial Workers of the World is half as intelligent as it pretends to be, it will see the point.

[From the Bremerton News, Saturday, August 23, 1913.]

#### FINDINGS OF THE BOARD—ABUSE OF ARMY AND NAVY AND GOVERNMENT AND LAXITY OF POLICE BLAMED FOR RECENT TROUBLE IN SEATTLE.

The board of inquiry appointed by Rear Admiral Reynolds, commander in chief of the Pacific reserve fleet, to investigate and report its findings regarding the destruction of I. W. W. and Socialist prop-

erty in Seattle on the night of July 18 has completed its work and filed its report. The board was composed of Commander Thomas Washington, of the cruiser *Charleston*; Lieut. Commander Henry N. Jensen, of the cruiser *Milwaukee*; Lieut. W. E. Whitehead, of the cruiser *St. Louis*, with Lieut. H. W. McCormack, aid to Admiral Reynolds, acting as recorder.

It is the evident opinion of naval authorities that the attitude of Mayor George F. Cotterill and the police force in allowing extreme license to soap-box orators who had nightly attacked the American flag, the Government of the United States, and men of all branches of service, is primarily responsible both for the assaults on the soldiers and sailors and the retaliatory movement of enlisted men on the following night.

The full report of the board and letters of Admiral Reynolds and Secretary of the Navy Daniels are here given, as follows:

#### FINDINGS OF BOARD.

"The board, after maturely deliberating upon the declarations above recorded, finds the following facts to be established:

"1. It appears that for some time it has been a practice of the police authorities of Seattle to permit Socialist and Industrial Workers of the World public speaking on the streets and elsewhere in the city of Seattle, and the attacks made upon the Navy in general and the enlisted men in particular by these public speakers have been continuous and apparently unchecked by the civil authorities, and the most objectionable and false charges and abuses have been freely made against and heaped upon those in the Army and Navy, and to a considerable extent also against the Government of the United States as well. No attempt apparently has been made to check this general abuse, and the enlisted men of the Army and Navy have been continually subjected to it, and particularly has it been applied to them when present and seen by any of the public speakers of their audiences.

"2. Apparently no overt action was taken by any of the enlisted men of the Army, Navy, or Marine Corps, notwithstanding the persistence of the abusive attacks upon them, until the night of Thursday, the 17th instant, when a party of five, consisting of three soldiers and two sailors, who were innocently and quietly listening to one of the Industrial Workers of the World street speakers, were set upon by a number of the people in the audience supposed to be members or adherents of the Industrial Workers of the World. This occurred on Washington Street, Seattle, Wash., about 9.30 p. m., and the men were severely handled. This attack upon the enlisted men was, so far as the board has been able to learn, entirely without provocation and was made solely because of their being in the uniform of the Army and Navy. Whether or not the police force afforded or attempted to afford protection to these enlisted men the board has been unable to determine. Certainly the police knowingly permitted and made no attempt to check the efforts of the speakers in using language which tended to raise the feeling of their adherents against our men. These enlisted men, it appears, when attacked by an overpowering number of the Industrial Workers of the World adherents, took refuge in a nearby drug store, where the wounds of some were attended to and from which place they were taken by the police to the police station and later in the evening discharged, no charge of any kind apparently being made by the police against them and apparently none, also, against the members of the Industrial Workers of the World people who had made this unwarranted attack upon them.

#### POLICE INDIFFERENT.

"3. At some time after 8 o'clock on the evening of the 18th instant, a number of enlisted men of the Navy and Marine Corps, variously estimated at from 20 to 30, with a number of civilians apparently residents of Seattle, many times as great, started from the water front, near the corner of First Avenue and Yesler Way, then proceeded toward the Industrial Workers of the World headquarters on Second Avenue south. These men were joined as they passed up the street by many others, some of whom were men from the ships and forts on liberty, but the vast majority being civilians, many of whom, from their dress and appearance, clearly belonged to the better class of citizens. The police of the city were in with and among this crowd of people and seemed to be as thoroughly aware of what may have been intended as were the civilians and enlisted men. No effort, or at least no determined effort, was made by the police to check or divert any action which might have been intended by the members of the crowd. It appears that the crowd was entirely orderly in all respects and behaved, so far as the board has been able to learn, orderly throughout the evening, except in so far as the destruction of the Industrial Workers of the World and Socialist headquarters and meeting places were concerned. It does not appear that any of the enlisted men of the Navy or Marine Corps who had come on liberty from the ships had, at the time of going ashore, any object of destruction of property of the Industrial Workers of the World or other people in view, nor is there anything to show that they, when landing from their ships, knew where the offices or rooms of the Industrial Workers of the World or Socialists were. Of the large number of men composing the crowd during the evening, approximately only 20 were enlisted men who were on the docks when the crowd began to gather in the streets for the movement against the Industrial Workers of the World. The movement appears to have been led, or at least guided, by citizens of Seattle, who constantly gave notice and passed information among the crowd as to where the various Industrial Workers of the World and Socialist offices and rooms were and to which place the crowd would, after visiting one place, proceed to the next. It appears that after arriving at each of these Industrial Workers of the World and Socialist places the citizens in the crowd took the lead in showing the men engaged either in wrecking these places or in taking out the furnishings and burning them in the street, where the entrances were and how the contents might be removed. Throughout this the police of the city were present and took no active part in stopping and may be said to have taken more than a passive part in assisting.

"4. As the crowd moved up Washington Street it was constantly increased by citizens of the city, who came from their places of business, hotels, etc., so that at its height it was possibly composed of as many as 200 enlisted men and many times that number of civilians. No resistance appears to have been offered by the enlisted men of the Navy or Marine Corps to the police nor does it appear that they had any intention whatever of taking part or joining in anything unlawful except so far as the property of the Industrial Workers of the World and Socialists was concerned. This small number of enlisted men could have easily been handled and checked by the police had the police so desired, but it was evident from their conduct that the police and citizens were in sympathy with the attacks by the crowd upon the Industrial Workers of the World and Socialist property. About 8 o'clock of the evening of the 18th instant, the chief of police of Seattle notified the commander in chief of the Pacific reserve fleet that it was possible

there might be trouble between the enlisted men and the Industrial Workers of the World, but that he did not wish to interfere with the liberty of the enlisted men. The commander in chief took immediate steps and sent a detail of about 35 men, with a commissioned officer in charge, to act as a patrol, and immediately upon the arrival of this patrol at the place where this large crowd was gathered the enlisted men of the Navy and Marine Corps left, and so far as the evidence shows took no further part in whatever action may have been taken later by the crowd of civilians. No resistance, however, was offered to the bluejacket patrol which leads the board to infer that none would have been offered to the police of the city had they desired to check or prevent the action of the men composing the crowd at its beginning or even later. There was no drunkenness, apparently no boisterous conduct, nor weapons carried by any of the men of the Navy or Marine Corps who may have been engaged with the work of the crowd, so far as the board has been able to learn.

"5. On July 17 the only unlawful and riotous action taken in which any of the enlisted men of the Navy and Marine Corps figured, was an unwarranted attack made upon two liberty men by members of the Industrial Workers of the World upon the public streets of Seattle. On the 18th instant occurred the attack made upon the Industrial Workers of the World and Socialist quarters by the large crowd, in which it is alleged that perhaps as many as 200 enlisted men of the Navy and Marine Corps formed a part. On the 19th instant no objectionable conduct on the part of the enlisted men had been reported, and the patrol landed from the ships reported no disturbance whatsoever.

"6. So far as the board has been able to learn no complaints against the enlisted men of the Navy and Marine Corps have been made by the police authorities of Seattle.

#### CONCLUSIONS.

"The board finds as follows: That for some time past the attacks upon the flag, the General Government, and particularly upon the Army and Navy, have been customary and general in the seaport cities of this coast by people calling themselves members of the Industrial Workers of the World society, and to a more or less extent by persons calling themselves Socialists. These attacks have been notorious among speakers who were allowed by the civil authorities to gather crowds and to make public speeches on the streets, thereby inciting and engendering ill feeling and hatred among certain classes of people against the members of the Army and Navy, and it was due to these public speakers that the attack upon three soldiers and two sailors in uniform was made on the night of the 17th instant.

"The board believes that this attack upon these men was an incident to the burning and destruction of the Industrial Workers of the World and Socialist property the following night. The board believes that the direct responsibility for the destruction of the Industrial Workers of the World and Socialist belongings upon the evening of the 18th instant was due in part only to certain enlisted men of the Navy and Marine Corps, but to a much larger extent to the civilians who seemed to lead and direct the crowd, which contained a small proportion of enlisted men, to the various places which were visited by the crowd. The board also believes the direct responsibility for the action of the crowd, which contained a small portion of enlisted men, was due to the fact that the police force of Seattle took no effective steps to prevent the destruction of property which they were present at and witnessed, and also to their sympathy with the movement and purpose of the crowd. The board has no reason for believing that the idea of the destruction of the Industrial Workers of the World and Socialist property originated with the enlisted men of the Navy and Marine Corps, and is inclined to the opinion that the movement is more properly attributable to the general sentiment of an important element against the Industrial Workers of the World society and to the general publicity and criticism given by the public press of Seattle to the doings and sayings of the Industrial Workers of the World and Socialists, and is furthermore inclined to the belief that the presence of the enlisted men ashore on the 18th instant and of the night attack made on the 17th instant on the enlisted men by the Industrial Workers of the World people, gave an opportunity to use the enlisted men simply as a means to assist in accomplishing a purpose which the public press had been leading up to and which the larger element of the people apparently encouraged and desired.

"Owing to the fact that no person who actually participated in the destruction of the property willingly would come forward and acknowledge the part taken by him, and of the general disinclination of one person to inform on another who may have been present, it has not been practicable for the board to have obtained but a limited number of witnesses; but from those who did appear and from the attached letters of reputable citizens of Seattle it is clear that the enlisted men of the Navy did participate in the destruction of I. W. W. property on the night of the 18th instant, but that such action was so shared in and conducted by citizens of Seattle as not to meet general public condemnation."

The letter of Admiral Reynolds conveying to commanders of all ships in the fleet the recommendations and orders of Secretary of the Navy Daniels reads:

#### LETTER OF REYNOLDS.

1. The following letter from the Secretary of the Navy on the above subject is forwarded for your information. This letter, together with the commander in chief's remarks, will be read to the officers and crews at muster:

DEPARTMENT OF THE NAVY,  
Washington, August 13, 1913.

From the Secretary of the Navy to the Commander in Chief, Pacific Reserve Fleet, Seattle, Wash.:

Subject: Punishment of sailors connected with Seattle riot.

1. The report made by Rear Admiral Alfred Reynolds, United States Navy, commander in chief of the Pacific Reserve Fleet, of date July 24, 1913, as a result of the trouble in Seattle, Wash., on the nights of July 17 and 18, 1913, shows that some enlisted men and marines, in company with some soldiers and a large company of civilians of Seattle, who led the way, did cooperate in the destruction of property belonging to certain organizations having places of meeting in that city. The conduct of the parties who denounced the soldiers, abused the Army and Navy, reflected upon the flag, and made assault upon soldiers in the American uniform, is most reprehensible and deserving of condemnation. But their violence of language, unprovoked assault upon soldiers, and lawlessness does not justify retaliation in kind.

2. On the day after the disturbances in Seattle I gave out the following statement to the press:

"I believe in free speech and a free press as the bulwarks of liberty. Every evil that exists or that threatens our country can be righted by appeal to the judgment of the American people. The weapon is the

ballot. The man who resorts to violence to redress evil is bringing more evil into existence than he can hope to cure by violence.

"Obedience to lawful authority and respect for the flag must precede any reforms. The man who takes the law into his own hands imperils American institutions and jeopardizes the hope of securing relief from conditions against which he complains."

3. The splendid patriotism and courage of the men in the Navy is one of the most valuable national assets. It is because of the high standing and valor of the enlisted men that I regret they permitted any provocation to cause a number of them to forget, as they did on July 18, that they were specially charged with upholding the law. They are sworn to uphold the law and to use force only when ordered to do so by those in authority. They must stand for the majesty of the law that forbids any resort to lawlessness even under the most trying circumstances. The conduct of those sailors who took part in the destruction of property in Seattle is against the law of their country as well as against naval regulations. Their conduct can not be condoned or go without punishment.

#### ORDER FOR PUNISHMENT.

4. It is hereby ordered that the commander in chief of the Pacific Reserve Fleet send a copy of this letter to the commanding officers of the ships upon which the enlisted men and marines are serving who engaged in the unlawful action in Seattle, with instructions to have this letter read; and it is further ordered that the men engaged in this affair be punished for their conduct as the admiral may adjudge is adequate for the offense.

JOSEPHUS DANIELS.

2. The commander in chief, while agreeing with the Secretary that the conduct of the men who took part in the occurrence of July 18 was reprehensible and deserving of punishment, he, unfortunately, finds it impossible in this case to adjudge adequate punishment, as the names of but two men who were present are known, and there is not sufficient evidence to convict these two of direct connection with the lawlessness complained of.

3. The commander in chief hopes that the public reading of the Secretary's letter of condemnation will be a warning to all that they may not take the law into their own hands no matter what the provocation.

ALFRED REYNOLDS.

[From the Washington Post, Wednesday, August 13, 1913.]

#### TREASON OF THE INDUSTRIAL WORKERS OF THE WORLD.

The experience which the people of Minot, N. Dak., are undergoing with reference to the lawlessness of the Industrial Workers of the World is the same as other cities have had to endure within the past two years. The leaders of the Industrial Workers of the World are not the friends of labor. They are the enemies of the workingman, just as they are the enemies of the Government.

No one city, even with the determination that is in evidence at Minot, can crush the Industrial Workers of the World. This organization, which is preaching treason and sedition and trying to bring about a condition of anarchy, has become a menace to the United States Government itself, and the Government should deal with the situation.

The laws against treason and sedition should be invoked against the malcontents of the Industrial Workers of the World. They are implanting the seeds of hatred in the hearts of foreigners who came here with every intention of obeying our laws and who were well satisfied with conditions as they found them.

American workmen are rarely fooled by the agitators of the Industrial Workers of the World. In every city where these pests have appeared the American laboring man has shown his resentment and has aided in expelling them.

It is now to the ignorant immigrants that the agitators make their appeal. They carry with them Italian agitators to arouse the Italians, Swedish agitators to arouse the Swedes, and so on down the line. They are deliberately misrepresenting the aims and purposes of the United States Government. They are teaching that the laws are unjust to the workingman, that officials elected by the people have no right to enforce the laws, that unionism is a failure, and that the way to bring about an increase in wages is by threatening the lines and property of employers, terrorizing the community, and defying the authorities.

If the leaders of the Industrial Workers of the World are to continue on their lawless pilgrimage, leaving behind them a host of foreigners, unable to speak English, but converted to the cause of treason and preaching it to others, the laws against sedition should be enforced to send leaders of such a movement to the Federal jails for long terms.

The CHAIRMAN. The gentleman from Washington has used 12 minutes of his time.

Mr. HINEBAUGH. Mr. Chairman, how much time is there left on this side?

The CHAIRMAN. Does the gentleman from Washington [Mr. HUMPHREY] desire to give back the balance of his time?

Mr. HUMPHREY of Washington. Yes; I yield back the balance of my time.

The CHAIRMAN. There remain 33 minutes on that side.

Mr. BORLAND. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. Fifty-one minutes.

Mr. BORLAND. Mr. Chairman, I am authorized to yield to myself the 51 minutes.

The CHAIRMAN. The gentleman from Missouri [Mr. BORLAND] is recognized for 51 minutes.

#### NATIONAL OLD TRAILS HIGHWAY FROM OCEAN TO OCEAN.

Mr. BORLAND. Mr. Chairman, during the next session of Congress I trust that some substantial progress will be made toward a branch of Federal activity which has long engaged the individual attention of Members of the House, but which as yet has reached no concrete form. I refer to the question of Federal aid to rural highways.

The House at last has recognized the importance of that subject by creating a Committee on Roads. At the request of the Daughters of the American Revolution I have introduced into

the House a bill for the purpose of marking, designating, and improving what are known as the national historic old trails highways from ocean to ocean.

The trails thus designated consist of the Braddock trail, from the seaboard to Cumberland, Md.; the Washington Road, from New York to Washington, D. C.; the Cumberland Road, or National Pike, from Cumberland, Md., to the Mississippi River; the Boones Lick Road, from thence to Franklin, in the central part of Missouri; the celebrated Santa Fe trail, from Franklin through Independence, Mo., to Santa Fe, N. Mex.; and the route of Gen. Kearny's march from Santa Fe westward to the Pacific coast. Added to this is the Oregon trail, which diverged from the Santa Fe trail near Gardner, Kans., and ran from there northwest to the Pacific Ocean at the Valley of the Columbia. To make the historic routes complete, the later cut-off of this trail has been added from Council Bluffs, Iowa, and also the Gold\*Seekers trail, from Fort Hall on the Oregon trail to the gold fields of California. These roads form a continuous chain of historic highways crossing the continent by the easiest natural grades and through the most central portion of our country. They mark the progress of the American Nation in its conquest of the continent for civilization.

The Braddock Road really began at Portsmouth, Va., and extended into the Valley of the Ohio. It was the first pathway across the Allegheny Mountains and into the Valley of the Ohio at the time when the entire western slope of the mountains was in the actual possession of the French. It was the beginning of the national expansion westward, the first step of which was to dislodge the foreign power from the Ohio Valley. In October, 1753, Washington was commissioned by the governor of Virginia, in company with Gist, to make his way over the Allegheny Mountains into the Valley of the Monongahela to warn the French commander not to trespass upon English soil. He made this trip through an unknown country overrun with hostile savages who had been inflamed against the English and into the very heart of a wild region dominated by the French forts. After performing his duty with his usual quiet courage he returned to Virginia and made his report. His report indicated that England would have to fight for the possession of the Ohio Valley. The next year, 1754, he led a company over the same route and fought the French at Great Meadows. By the following year, 1755, the British Government had been aroused to the gravity of the situation and dispatched Gen. Braddock to the Colonies. Washington accompanied Braddock on his ill-fated and mismanaged expedition and suffered in the general defeat.

One of the earliest friends of good roads among our public men was that keen-witted Swiss immigrant, Albert Gallatin. Gallatin was a man of education and accomplishments, and the society of the gay capital of Richmond had great attractions for him. Nevertheless, in 1784, he crossed the Alleghenies to Monongahela County, Pa., to establish a home in the wilderness. It was supposed by his friends that he had buried himself and ruined a brilliant career, but out of that wilderness he created the mighty Commonwealth which, recognizing his genius as a constructive statesman, made him successively a member of the Pennsylvania Legislature, a leader in Congress, a Senator of the United States, a member of the Cabinet, and the greatest figure in American financial history. It was in the wilderness that he first met George Washington. Washington was seeking, with the aid of Indian guides, the most practicable route for a main highway across the mountains. After a day's exploring he had come to a hut in which Gallatin and other men were living, and was using Gallatin's rude bunk for a table while he made those elaborate notes of his doings which were so characteristic of Washington. Gallatin in the meantime was lying on the floor, having been evicted from his bunk. As Washington laboriously went over the reports of the different routes Gallatin, then a young man of about 18, and with a mind that worked with the speed of lightning, jumped up and exclaimed, "That is the only route." He says that Washington slowly took off his horned spectacles and gave him a look of severe disapproval in utter silence. After Washington had gone over the reports for over another hour, he finally turned to Gallatin, took off his spectacles again, and said, "Young man, you are right."

Gallatin was the real father of the Cumberland Road, although in later years Henry Clay managed to identify himself very thoroughly with its construction. The Cumberland Road was begun in 1806 by an act of Congress signed by Thomas Jefferson.

Mr. AUSTIN. If the gentleman will pardon me, what was the first appropriation?

Mr. BORLAND. The first appropriation was the 2 per cent fund. The country west of the Ohio River had no seaports;

therefore the proceeds of the public lands in those States were divided and 5 per cent was set apart for internal improvements in lieu of the Federal appropriations which the older States enjoyed for the improvement of rivers and harbors. That 5 per cent fund was devoted to the construction of common roads, and the first of that fund was 2 per cent out of the 5 per cent obtained from public lands in Ohio. Between 1806 and 1834 it was constructed under national authority, and by successive appropriations of Congress to a certain point in Indiana, and was surveyed by way of Vandalia, Ill., to Jefferson City, the capital of Missouri. About \$7,000,000 of public money was spent upon its construction, a part of which sum was the proceeds of a fund reserved for that purpose from the sale of public lands in Ohio, Indiana, Illinois, and Missouri. This national road during its existence of nearly 30 years played an important part in the expansion and development of the young Nation. It was worth many times its cost both commercially and politically. It was the great highway of commerce and travel between the States of the Atlantic seaboard and the growing communities in the Mississippi Valley. It furnished the necessary link between the two parts of the Nation which prevented sectional hostility and disintegration. Its decline in importance and its final abandonment was due to the rise of the steam-railway systems. As the railways began to extend the importance of the national highway diminished. The reliance of the people upon it became less complete and the hostility to it gradually forced its entire abandonment. About 1834 it was turned over to the States through which it ran, and it has been preserved, after a fashion, as State highways.

Mr. MADDEN. If it will not interrupt the gentleman, I would like to ask him a question.

Mr. BORLAND. I will yield to the gentleman.

Mr. MADDEN. Does the gentleman favor the construction of this coast-to-coast road in preference to the cooperation of the Federal Government in the development of roads in the States, without reference to whether it runs from coast to coast or not?

Mr. BORLAND. I am sorry that I can not go into that as fully as I should like. I favor the construction of national roads. I think this national road is one of the most comprehensive that can be pointed out; but I do not advocate it to the exclusion of other forms of Federal aid or cooperation.

That \$7,000,000 put into the old national roads, I am free to say, was the best investment of national money ever made. It paid the finest income commercially, increasing the taxing power of the Nation. It paid the finest dividend politically and socially that has even been paid by a similar expenditure of Federal money.

At that time, recollect, gentlemen, the country in the Ohio Valley and in the Mississippi Valley was in commercial relations with the port of deposit at New Orleans, which was under the control of a foreign nation. It was with great difficulty that the States west of the Alleghenies could be held in touch with the Union east of the Alleghenies. There was a constant disintegrating force which drew the two parts of the country apart.

The people west of the Allegheny felt that they had nothing in common with the tidewater settlements in the eastern part of the country. They felt that they were taxed without representation; that they had no share in the Federal protection; that their frontier was unprotected, except by the rifle, that silent sentinel of the fireside of every settler in that territory. They felt that there was but one link connecting them with the settlements, and that was the national road.

Henry Clay said after the national road was completed he could reach Washington seven days sooner than it took him before. How long it took him before I do not know. If gentlemen will go to that beautiful Hermitage, near Nashville, they can see the old coach in which Andrew Jackson used to ride, it is said, between his home and Washington. It is said that Jackson could make the round trip in 28 days between Nashville and Washington over the old national pike road, and Jackson was considered a strenuous driver.

At the Mississippi River the Cumberland Road would have met the celebrated Boone's Lick Road, the first highway to penetrate the wilderness west of the great stream. In 1797, while Louisiana was still Spanish territory, Daniel Boone, under a concession from the Spanish governor, settled a small colony of Americans about 40 miles west of the Mississippi River in what is now Warren County, Mo. This was the first invasion of American settlers into the great trans-Mississippi territory. In 1804, the same year that the American Government took possession of upper Louisiana, Daniel Boone's two sons established themselves at a salt lick more than 100 miles to the westward. They were engaged in the manufacture of salt, which was floated down the Missouri River in rawhide canoes. The rich-

ness of the territory in which they were located attracted a large number of enterprising pioneers, mainly Kentuckians. The country became known as Boone's Lick country. It was in the heart of the great Louisiana territory, and the birthplace of many of the famous pioneers and explorers of the West.

In 1815 a roadway was surveyed and built from St. Charles, Mo., to Old Franklin, in the Boone's Lick country. This road was known as the Boone's Lick Road, and was the highway over which the advancing army of pioneers entered the territory beyond the Mississippi. As Boone's Lick was the farthest outpost of American civilization, it was often referred to in derision by Henry Clay. He was very fond of calling Thomas H. Benton "the statesman from Boone's Lick," although Benton was a man of education and culture and really lived in St. Louis. It was from the vigorous and enterprising community of Boone's Lick that the start was made to open up the commerce of the great Southwest. Capt. William Becknell started from that point in 1821 on what is now believed to be the first successful trip on a trading expedition to Santa Fe, N. Mex. As long as Mexico was under the rule of old Spain the policy of the rulers jealously excluded American traders and, in fact, looked upon all Americans as intruders and spies. A few Americans who found their way into Spanish territory prior to 1821 suffered imprisonment, oppression, and robbery. In 1821, however, Mexico successfully established her independence from Spain. This made possible the beginning of commercial intercourse between the two countries. The policy of Mexico was the reverse of that of Spain. She welcomed and encouraged the American traders and even furnished them, as did our Government, with military aid as a protection against the Indians. Soon after the headquarters of the Santa Fe trade were moved westward to Independence, Mo., and from thence onward for more than a quarter of a century, until New Mexico became American territory, this great historic highway, known as the Santa Fe trail, led from the last outlying trading point in the Missouri Valley to the first great center of Spanish civilization in the Southwest. In 1824 Senator Benton had passed an act of Congress by which a survey was made of the Santa Fe trail from Fort Osage, in Jackson County, Mo., to Santa Fe, N. Mex. I can not pause to give even briefly the history of that wonderful highway and its tremendous influence upon the destiny of the American Nation. It was the safety valve of those turbulent forces which are as common to the youth of nations as they are to the youth of man. It is one of the great historic highways of the world marking the progress of civilization.

It was down this celebrated highway that Gen. Kearny and Col. Doniphan led their celebrated expedition in 1846, at the outbreak of the War with Mexico. This expedition resulted in the annexation to the United States not only of the New Mexican Valley but of all the vast golden land of California. As soon as American supremacy was established at Santa Fe, Gen. Kearny started westward for the Pacific coast, and the last great link in the chain of historic highways which takes the American people across the continent is the route over which Gen. Kearny marched from Santa Fe to Monterey, Cal. In 1841-42, after the Santa Fe trail had been well established, the Oregon trail came into prominence. The Oregon trail branched off from the Santa Fe trail at a point less than 100 miles west of Independence, Mo. It ran thence northwest up the valley of the Blue River into the valley of the Platte, and thence westward until it crossed the mountains at South Pass and led down into the valley of the Columbia River upon the Pacific slope. Over this highway the great prairie schooners pursued their laborious way, carrying American settlers into the Oregon Territory and reclaiming and holding for American occupation that wonderfully rich section of our land. This same great trail was used soon after by the gold seekers of 1849. The earliest route of travel for those destined to California was over the Oregon trail as far as Fort Hall, and thence diverging southwest to Sutters Mill, in California. By 1850 the continent had been crossed, and Benton, in his speech at St. Louis at the inauguration of the Pacific Railroad, pointed to the west and uttered his famous words, "There is the East. There lies the road to India."

Thus these great historic highways connect with one another in a complete chain across the continent. They furnish the most remarkable example in history of the victories of peace and the steady progress of civilization. Only in rare instances did they resound to the tread of martial hosts; but day after day, year after year, was heard the music of the creaking wagon and the lowing ox. All of the mighty host who crossed these highways were armed not alone with the rifle but with the ax and spade. They took with them not the ammunition wagon and artillery but herds of live stock and bales of household goods, implements of husbandry, and the women and chil-

dren—the evidences and guaranties of a future State, the earnest of permanent settlement and the basis of an American home.

Each of these great highways marks a crisis in the career of our country—an epoch in the history of the world. They show a virile young nation gathering with eager hands the fruits of the great Revolution—the conquest of a continent. Their purpose was homes—homes for the millions, homes for the humble, homes for the toilers—American homes that meant opportunity and a higher and purer civilization. Some day a genius will arise able to give to the world the epic of America, the poem of a nation whose whole history is a mighty symphony of civilization, touching strange chords and swelling with a power but vaguely understood. It will show a race which has subjugated nature, commanded fate, marshaled the forces of science, solved the problem of self-government, and written its autograph across a continent in the historic trails that marked the mighty movements of a people. [Applause.]

All honor to the Daughters of the American Revolution for the work their hands have found to do in preserving and perpetuating these great historic highways. [Applause.]

Mr. HINEBAUGH. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. MURDOCK].

Mr. MURDOCK. Mr. Chairman, this urgent deficiency bill is the first regular appropriation bill which the new Congress has regularly considered. Previously it has handled two other bills which had come over from a previous Congress because they had received the presidential veto. The most important provision in this bill unquestionably is that which abolishes the Court of Commerce. The creation of that court was originally designed by the special privilege seeking interests, and it was saddled upon the country largely through the circumstance that five new circuit judgeships were dangled above the heads of office-seeking politicians. Now, while the court is to be wiped out, we have in the present bill a very clear illustration of how the native hue of legislative resolution is sometimes sicklied o'er with the pale cast of thought.

This bill, which does the very commendable thing of abolishing the Court of Commerce, stops short of doing that which it ought also to do when it abolishes the Court of Commerce—that is, to abolish the five judgeships which Congress created for that court.

Mr. BARTLETT. May I interrupt the gentleman just a moment? If I take his time, I will give it to him from mine.

Mr. MURDOCK. Certainly; I will be glad to be interrupted.

Mr. BARTLETT. I want to say to the gentleman that there are some of us on this committee, and some of us in the House on this side and that side, who will very gladly vote for a proposition to repeal sections 1 and 2 of the act of 1910 that established this court. And I believe, as a lawyer, if we do that, we not only get rid of the court, but that everything in common that pertains to the office of judge will follow such repeal.

Mr. MURDOCK. I will say to the gentleman from Georgia that I rejoice in that expression from him, and it confirms me, not only in the belief I have long had in his deep legal learning, but in his position relative to the regulation of railroad rates in the interest of the people.

Mr. BARTLETT. One word more. I have some time, and I will yield to the gentleman all that I consume of his.

This Commerce Court bill came into this House and into the Senate originally, as a bill supposed to be drafted by the Attorney General in the interests of the great railroad corporations of this country, and but for the fact that the great Interstate and Foreign Commerce Committee of the House, and but for the fact that some of the Republican members of that committee joined with the Democratic members of the committee and with Mr. MANN, we would not have had the very fair bill that we had finally, and that we had to pass through the House with amendments, aided by the gentlemen on that side at the time.

Mr. MURDOCK. I fully concur with the gentleman that the bill was vastly improved in the House, and I think every Member of the House realized that at the time, but the gentleman also will say that in a way the Commerce Court was saddled on this body.

Mr. BARTLETT. And was passed by this body twice by tie vote. The gentleman from Georgia [Mr. ADAMSON] and myself opposed it, but we were defeated by a ball game, or something of that kind.

Mr. ADAMSON. Two or three times the tie was made by the chairman not voting, I think.

Mr. BARTLETT. And I want to say right now that if the gentleman will offer an amendment to repeal this, that I and my associates on the committee and on the subcommittee have reserved the right to vote to repeal the law that established the court, and do away with the officers as well as the court.

Mr. MURDOCK. I congratulate the gentleman on that statement, and I hope our view can prevail in the House.

I rose primarily for the purpose of showing how the House or Congress itself, in the course of legislation, often weakens from its original strong resolution and convictions—convictions usually in the beginning correct. I want to give, in illustration, a brief history of the attempt of the Congress to remove these judges from the roster of circuit judges in the United States. In June, 1912, the Appropriations Committee reported the legislative, executive, and judicial appropriation bill. In that bill was this proviso:

No circuit judge shall hereafter be appointed until the whole number of circuit judges shall be reduced to 29, and thereafter there shall not be more than 29 circuit judges.

Now, the gentleman from Georgia [Mr. BARTLETT] will remember that on the floor of the House that was stricken out and a much more definite provision inserted to take its place, accomplishing the same thing.

Mr. BARTLETT. In the Senate, you mean?

Mr. MURDOCK. In the House. Here is the amendment:

The five additional circuit judgeships provided for by the act of Congress approved June 18, 1910, and by chapter 9 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, are hereby abolished, and the authority in said acts of Congress for the President, by and with the advice and consent of the Senate, to appoint five additional circuit judges is hereby repealed, and the number of circuit judges is hereby reduced to 29. So much of the act of June 18, 1910, and of March 3, 1911, as authorizes or directs the said five judges to preside in the circuit or district courts of the United States or in the circuit courts of appeals or to exercise any of the powers, duties, or authority of circuit or district judges or of said circuit or district courts or of said circuit courts of appeals is hereby repealed.

Mr. BARTLETT. May I interrupt the gentleman?

Mr. MURDOCK. Certainly.

Mr. BARTLETT. I think the gentleman is reading the Senate amendment.

Mr. MURDOCK. The gentleman is correct about that.

Mr. BARTLETT. The gentleman is reading the Senate amendment that was offered by Senator SMITH of Georgia. It came back to the House and the House disagreed en bloc to all the amendments. It was sent back and that part of it went out.

Mr. MURDOCK. That is true. That more definite amendment was a Senate amendment. Now, that part of the amendment went out; that is, the House and the Senate were agreeable to the abolition of the Commerce Court, but they left in the law the five judges who had been created to serve that court and who were not needed.

Now, after the passage in Congress of the law providing for the abolition of the court it was vetoed by the President of the United States, Mr. Taft. He said, in the course of his veto message:

I have read the arguments upon which this proposed legislation is urged and I can not find in them a single reason why the court should be abolished except that those who propose to abolish it object to certain of its decisions. Some of those decisions have been sustained and others have been disapproved or modified by the Supreme Court. I am utterly opposed to the abolition of a court because its decisions may not always meet the approval of a majority of the Legislature. It is introducing a recall of the judiciary, which, in its way, is quite as objectionable as the ordinary popular method proposed.

Now, Mr. Chairman, it seems to me that the Congress of the United States, which has the power to create five judges for a specific purpose, ought also to have the power to abolish those judges. These five judgeships are not needed in the courts of the United States.

Mr. BARTLETT. Mr. Chairman, will the gentleman permit me to say a word? I do not want to agree with the gentleman when he is talking about abolishing the judges, because that is not exactly accurate, in my opinion. The gentleman means to abolish the office that creates the judge?

Mr. MURDOCK. Yes; that is what I mean.

Mr. BARTLETT. Because there is a provision in the Constitution which declares that a judge when appointed shall hold during good behavior.

Mr. MURDOCK. But it would accomplish this: It would reduce the number of circuit judgeships in the United States to 29.

Mr. BARTLETT. When you abolish the office, everything that hangs to it is also abolished.

Mr. MURDOCK. I know; and I intended so to convey. The judiciary as one branch of this Government, in my opinion, is to-day under closer public scrutiny and criticism than it has ever been, and it will not add any to the mollification of that public criticism if the Congress of the United States, having created judgeships, shall not exercise also the power to abolish those offices when their use shall have passed. So, while I congratulate here this afternoon the Democratic Committee on

Appropriations for bringing in again this measure for the abolition of the court, I think the committee should have gone further and abolished these judgeships. I hope this amendment, when it is offered in the House, as it will be, will be adopted by the House, following out the line of complete and thorough action that the House had originally in mind in its proposal to do away with the Court of Commerce.

The CHAIRMAN (Mr. FLOOD of Virginia). The time of the gentleman from Kansas has expired.

Mr. BARTLETT. Mr. Chairman, does the gentleman desire any more time? Inasmuch as I took time from him, I will give him some time out of my own if he desires it.

Mr. MURDOCK. I thank the gentleman.

Mr. HINEBAUGH. Mr. Chairman, I will yield 10 minutes to the gentleman from Minnesota [Mr. STEENERSON].

The CHAIRMAN. The gentleman from Minnesota [Mr. STEENERSON] is recognized for 10 minutes.

Mr. STEENERSON. Mr. Chairman, the gentleman from Massachusetts [Mr. GILLET], the ranking Republican member of the Committee on Appropriations, made an able argument this afternoon to show that the Democratic Party had been inconsistent in carrying out their promises of economy. He showed that they had violated the spirit of those promises not only in expenditures but also in appropriations.

But the most important part of his speech, to my mind, was his arraignment of the Democratic Party in regard to the civil service. The gentleman who for so many years was chairman of the Committee on Reform of the Civil Service has always been an ardent advocate of the doctrine of civil service, and I realize how things appeared to his mind. His remarks on that subject created a good deal of interest on the other side, and brought to their feet many of the ardent members of the Democratic Party, especially his reference to fourth-class postmasters; and many of those gentlemen very frankly—and it is to their credit that they are frank—acknowledged that they do not believe in civil service as applied to fourth-class postmasters, and declared that "to the victors belong the spoils."

Mr. BARTLETT. I did not say that.

Mr. STEENERSON. No; the gentleman did not say that, but he might convince a listener that he believed in that doctrine. Perhaps he did not intend to carry it that far.

Mr. BARTLETT. If the gentleman will permit me to interrupt him, I do not belong to that school that pretends to believe we can not find within the ranks of the party in power men who are competent and efficient to discharge the duties of the offices while that party is in power.

Mr. STEENERSON. The gentleman defends the recent order of the Postmaster General in regard to the removal of fourth-class postmasters?

Mr. BARTLETT. You mean the order modifying the rule?

Mr. STEENERSON. Yes.

Mr. BARTLETT. I believe in that, and I would have approved it if the President had revoked it entirely.

Mr. STEENERSON. I thought so.

Mr. BARTLETT. There is no question about where I stand on it. I have reiterated it for the fourth time on the floor of this House and in the public prints.

Mr. STEENERSON. I understand that is the gentleman's consistent position. But the gentleman from Massachusetts [Mr. GILLET], in referring to this subject of fourth-class postmasters and other postmasters and their tenure and the manner of filling vacancies in the past, did not make it as clear, nor did he elaborate it as much as I should have liked to have him do, and therefore I have risen on this occasion to make these remarks, or at least to try to explain that practice.

During the administrations of Presidents Taft and Roosevelt there was a uniform practice, so far as I came in contact with the Post Office Department, to continue fourth-class postmasters in office indefinitely and until they were removed for sufficient cause. I have not a copy of the rule, but I believe there was a rule to that effect. I know when I was first elected to Congress, where there was a desire to remove a fourth-class postmaster, and I communicated that desire on the part of the people of that locality to the department, I received numerous letters from the Postmaster General stating that the practice of the Post Office Department was to permit fourth-class postmasters to serve until there was cause for their removal. And, as a matter of fact, there are fourth-class postmasters in my district to-day who are serving under appointments that they received during Cleveland's administration. We have never been able to remove a single postmaster in that district except for cause. I state that from personal knowledge.

It is true that during the Roosevelt administration an order was issued to include fourth-class postmasters in certain States in what is called the classified civil service, and I made it a

point to consult the Members of Congress from the State of Wisconsin, which adjoins my State, as to how that operated. I was advised—and I believe it is correct—that the only difference under the former practice and under the new practice was that where a vacancy occurred the Congressman would not, under the new rule, be consulted about filling that vacancy. Before that time, whenever there was a vacancy, caused either by death, resignation, or removal, upon the report of an inspector the Congressman was notified of the vacancy and requested to make a recommendation to fill the vacancy. But under the new rule no such notice was given, and the inspector, as a usual thing, recommended the successor, and he was appointed without regard to the wishes or recommendations of the Congressman. But the Congressman could not cause removal of a competent and faithful official.

Mr. PETERSON. Will the gentleman yield there for a moment? Were not the men who were appointed then under that order all Republicans?

Mr. STEENERSON. During the Roosevelt and Taft administrations?

Mr. PETERSON. Yes; and under McKinley.

Mr. STEENERSON. I do not think all of them were, but I think most of them were.

Mr. PETERSON. Is it not a fact that at the time the present administration went into power 95 per cent of all the fourth-class postmasters were Republicans?

Mr. STEENERSON. I can not say about that. I never made any investigation of it.

Mr. PETERSON. If that was the case, how would you account—

Mr. STEENERSON. I will not yield to the gentleman further now. I wish to finish my explanation.

The CHAIRMAN. The gentleman declines to yield.

Mr. STEENERSON. In Minnesota and those States that were not included in that order the practice has been up to the present administration that no fourth-class postmaster has been removed at the request or recommendation of a Member of Congress. The only removals were made upon the report of inspectors, resulting from complaints of misconduct against the postmaster. The vacancies resulting from death or resignation were filled upon the recommendation of the Member of Congress.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HINEBAUGH. Mr. Chairman, I will yield five minutes more to the gentleman from Minnesota.

Mr. STEENERSON. In regard to the presidential offices the practice and the rule was, as stated by the gentleman from Massachusetts, that where the term of an incumbent expired the department notified the Member of Congress of the approaching expiration of the term of the incumbent, and further stated, if the fact was true, that the record of this postmaster, as far as known to the department good, that he had rendered acceptable service, and unless the Member of Congress could show cause for not doing so a reappointment of that incumbent would follow, or words to that effect.

That applied to presidential offices, and it was adhered to, to my certain knowledge, in my district, because I know of one instance where I received such a notice and I did not recommend a reappointment. I recommended another candidate, but the postmaster already in office continued and served, and I believe he is serving to this very day unless a change has been made within the last 10 days. That was nearly three years ago.

Now, the effect of the order that has recently been issued by the Postmaster General, which says that no person occupying the position of postmaster of the fourth-class shall be given a classified status under the provisions of the order heretofore issued unless he is appointed as the result of a competitive examination under previous regulations, will be that men who have served as fourth-class postmasters for years and years will be put out of office by means of this forced examination under the civil service.

The civil-service examination will be imposed upon incumbents who have been satisfactory for many years for the purpose, not of improving the service, but creating vacancies for Democratic Congressmen to fill. That is undoubtedly the object and purpose of gentlemen in favor of that order.

Now, I will say to the Democratic Members that, so far as a Republican State is concerned, like Minnesota, I think the effect of putting that order in operation will be disastrous to the Democratic Party. I am not objecting to it for that reason. I can understand why in the State of Georgia, or any Southern State strongly Democratic, where the postmaster now filling the position is out of tune politically with the patrons of his office, it may be satisfactory; but yet it is a device whereby you can create vacancies in the offices that have been satisfactorily

filled heretofore and fill them regardless of the civil service. It is a reversion to the old spoils system.

Mr. BARTLETT. May I ask the gentleman a question?

Mr. STEENERSON. Just a minute. That is the necessary result of the carrying out of the order, that it creates a vacancy which can be filled, and that is the only difference that it makes in the rules governing the subject. Now I will yield to the gentleman from Georgia.

Mr. BARTLETT. The gentleman speaks about the order of President Wilson of April, 1913, as being a device to permit Democratic Congressmen to select fourth-class postmasters. What does the gentleman say about President Taft's order of October 15, 1912, keeping people in office who had been appointed by a Republican administration without taking any examination at all?

Mr. STEENERSON. That order was superfluous, so far as my district was concerned. Fourth-class postmasters had been holding during good behavior up to that time. The innovation shows the hostility of the Democratic Party to civil service and their devotion to the spoils system. [Applause.]

Mr. BARTLETT. Mr. Chairman, how much time has the other side?

The CHAIRMAN. The gentleman from Illinois has eight minutes remaining.

Mr. HINEBAUGH. Mr. Chairman, I think we do not care to use any more time on this side, and I yield to the other side.

Mr. BARTLETT. Mr. Chairman, I am very much obliged to the gentleman. I now yield to my colleague from Georgia [Mr. ADAMSON].

The CHAIRMAN. How much time?

Mr. BARTLETT. As much time as he may desire.

Mr. ADAMSON. Mr. Chairman, I do not expect to consume much time. My attention was called by the gentleman from Kansas [Mr. MURDOCK], the distinguished leader of the half-way party in this House, to the language used by ex-President Taft in vetoing an appropriation bill in a former Congress because it incorporated within it the abolition of the Commerce Court. The distinguished ex-President said that he had read the arguments in favor of the abolition, but could not find a single reason urged against the court except that some people objected to its decisions.

I have no right to quarrel with the ex-President about his inability to find reasons. I am not responsible for the degree or quality of judgment which he brings to bear in trying to determine whether a reason is good or not. There is no quarrel about that; but I do wish most emphatically to dissent from any statement from any source, high or low, that the only argument urged against this court is that some of the decisions of the judges were wrong. I was in the fore front of the fight against the creation of that court at the time it was created and prior thereto, and I have opposed it consistently ever since. When the mistake was made by the dereliction of some Members in not being here, and a tie vote saved it two or three times, and it was passed, I set my face steadily to the front to help undo the wrong, and I have been at it ever since. I certainly never advanced any such argument myself, and I have never heard anyone else advance such an argument. The judgments of men, of course, are fallible, no matter where they are. Some of the few decisions rendered have been correct, but could have been correctly rendered in the regular courts. The objections to that court were based upon fundamental reasons, many and strong and valid. I ask permission right here, for I know gentlemen would prefer that I spare them the task of sitting here and listening to me read it, that I may incorporate in my remarks now a portion of a speech that I made upon that subject when the bill was up for consideration once before.

Mr. MURDOCK. Mr. Chairman, before the gentleman does that will he yield for an interruption?

Mr. ADAMSON. Certainly.

Mr. MURDOCK. Does not the gentleman think after his long and consistent record in opposing this court that now, having arrived at a point where the court is to be abolished he also ought to advocate the abolition of those five judgeships and relieve the country of that incubus also?

Mr. ADAMSON. Mr. Chairman, there are a great many good things that I would like to accomplish. We are all familiar with the dog which had a good morsel of beef in his mouth and saw the shadow in the water. He turned loose the morsel he had in his own mouth to obtain the shadow in the brook, but was disappointed in securing the shadow and lost the real.

Mr. MURDOCK. Why not make a full bite of this?

Mr. ADAMSON. I do not believe there is any danger of losing the beef this time. I believe that there is patriotism

enough in this House and in the Senate to abolish the court at this time and patriotism enough at the other end of the Avenue in the White House to approve the bill.

As to repealing the law itself and getting rid of the judges I have no quarrel with the gentleman. If I thought it could be as easily done as merely to abolish the court I would go right with him and vote to undo the whole mischief, because I have never seen any necessity for the additional judges or the additional court. I have never seen any Federal judges who worked half as hard as other mortals. I have never seen any pressure of business upon those who occupied those exalted positions that by diligence they could not handle. I have never seen the necessity for the creation of these five extra judgeships, and if the power lay with me alone I would not hesitate to vote to repeal the law creating those judgeships, but I merely rose to advise any who may have been misled by the statement of the ex-President to the effect that there were no reasons except that the decisions were wrong, that the distinguished ex-President was laboring under a very great hallucination, and that there are numerous valid reasons against the existence of the court; and that I had never heard used the one which he mentioned, for it, indeed, would be frivolous, simple, and silly. We have objected to the court for other reasons, some of which will be found feebly expressed by me in the quotation which I desire to append to these remarks, so that if any Member of Congress should inadvertently read the RECORD to-morrow morning he will find what I said at that time expresses my objection a great deal more clearly than I could do it now offhand.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

The remarks referred to are as follows:

"The argument for the Commerce Court has no foundation in any party authority.

"As we all know, the gentleman from Michigan [Mr. TOWNSEND] is the inventor of that, and entitled to whatever credit or discredit attaches to it.

"The Republican platform makes no mention of it, so no Republican nor near Republican of whatever degree or quality need halt and fear and tremble about that as the deliverance of cardinal Republican doctrine. If you insurge against anybody on that, it will be against the ipse dixit of the President alone on a bill appropriating Mr. TOWNSEND's court, prepared by the Attorney General at the request of the President and sent simultaneously to both Houses of Congress with orders to enact it into law.

"Congress considered that court six years ago and refused to adopt it. As now presented the proposition is much worse.

"It will be observed that the argument in behalf of the Commerce Court is not as enthusiastic and convincing as the usual arguments made by my distinguished chairman, the gentleman from Illinois [Mr. MANN]. In fact, it is so conspicuous from the evident weakness and scarcity of argument, that, knowing the gentleman's resources, we may conclude there are no arguments in its favor.

"His friends know that he was not originally in favor of the court, and believe that if he finally votes for that court it will be out of official deference to the President, substituting for his own conscience and judgment the imputed conscience and judgment of the President. If the gentleman from Illinois does make such a substitution, I do not believe he will substitute any better conscience and judgment than his own, and his real friends hope he will not do so.

"The argument for the Commerce Court fails to sustain it. The evidence on the hearings failed to sustain it. The use by the President of analogy to the Customs Court is very unhappy. The suggestion that it is like a patent court is not at all pertinent. The first question generally discussed here and elsewhere as bearing on the court has been that the court would entail great expense. On that point the question with me is, Is it a proper expenditure? If the court be necessary and proper, it ought to be created, regardless of the expense. If it is neither necessary nor proper, it ought not to be created at all, though it costs nothing or came accompanied by a large bounty. The evidence satisfies me that the court is entirely unnecessary. Decisions of the Supreme Court rendered since the President's message have clarified the situation and shown, according to the opinion of the commissioners, that the questions will be so much simplified by those decisions that business of that character will be much less in the future than in the past. There have been so few cases in the past as to create no necessity for the court. The circuit judges throughout the country are not dying from overwork nor resigning, so far as I can

learn. They are able to take care of all of that kind of business that may arise. It is not insisted by anybody that circuit judges will know any more while sitting in Commerce Court than when presiding on circuit.

"The demand for uniformity in decisions is little short of ridiculous. As long as God makes many men of many minds, as long as different environment, heredity, education, kinship, and financial interest produce different modes of thinking and different predilections, as long as this great country, stretching from ocean to ocean and from the frozen north to the tropic seas, teems with the thrifty sons of all nations of the world, with the body of the text and practice of the laws of all civilized nations, the idea of uniformity in anything is absolutely impossible, and our Supreme Court has so declared. The only possible tribunal that can be relied upon to harmonize and unify different theories, practices, and ideas, and declare what shall prevail is the Supreme Court of the United States, and though you create this court and a dozen other special courts there will still be, although fugitive cases, instances and forms of litigation in which all those questions may reach the Supreme Court from courts other than the Commerce Court, and the final unifier, if one can be found, will be the Supreme Court. A great objection to the court is that it specializes litigation touching particular lines of business. This is abhorrent to the American sense. The Customs Court referred to by the President in his message is a misnomer. It ought not to be called a court at all. It passes on cases arising under the collection of revenue, and it ought to be called a commission or a board of appeals.

"The judicial nomenclature ought not to be confused nor corrupted by calling such a board a court. When you seek a perfect analogy, it is safer to examine the substance rather than to sound the name. I object to the proposition to specialize all the commerce litigation so as to withdraw from lawyers over the country generally all the inducement afforded by hope of fees to become expert and accomplished in a branch of the law in which all of our people are interested. It smacks too much of the Dark Ages and the woes of a priesthood-ridden people to say that the leading subject of interest to the people, if not the greatest field of litigation, should be committed to a particular guild of lawyers, a class specially trained and devoted to that court, who shall take the emoluments to the exclusion of all others. Furthermore, those who insist that there will be business enough to engage that court unwittingly suggest the alternative idea that if you take away business from the circuit courts enough to engage that court, it will to that extent leave the circuit courts idle and congest the business in the Commerce Court. In this connection it is noted that the carriers have not raised any rough house against the creation of this court. They are utterly amiable about it and ready to submit gracefully to its establishment. Its establishment, with most of the business transacted at Washington, would enable them to make common agreements about employing lawyers, as well as transportation.

"Fewer lawyers with better fees and yet smaller contributions from each carrier would enable the same lawyers to represent all the carriers. It would be very economical to the railroads. Then, all business having to go through that court, due decorum being maintained as to taking testimony and everything else, the business would become clogged and stagnated and the carriers would secure that dearest boon to corporations, 'the law's delay.' The carriers can afford to submit, and they evidently think so themselves.

"Another peculiarity about that court is the way its personnel is to be constituted. The advocates of the court started out with the proposition that ordinary judges throughout the country do not know enough about the technical subject of commerce to make competent Commerce Court judges, therefore they desire to select the wisest and best and dedicate them entirely to that line of law. Mirabile dictu! The scene changes! And they propose not only to limit the time of service of the judges on the Commerce Court, but to appoint five new judges, assign them to initiate the court, and start it off as the first occupants of that peculiar bench. What goes with the idea of experience and training and expert judges? That is exceedingly plain to the man who wants to see. They are to receive their training in corporation law as corporation lawyers before being appointed circuit judges; and no man need doubt that when those five new judges are appointed they—or at least three of them—will be men who know more about commerce instrumentalities, commerce transportation, manipulation of stocks and bonds, consolidation of railroads, destruction of competition, and disregard of public right, through long training as corporation lawyers, than any other five circuit judges or all

circuit judges in the United States combined. If anybody doubts this, let him wait and see. Why, corporation lawyers are now regarded as best qualified for the Cabinet.

"On the hearings it was argued that the Chief Justice might not enjoy the task of assigning judges to fill the vacancies occurring annually on the Commerce Court. While the friends of the bill were 'scratching in the bark' instead of 'cutting to the heart of the tree,' 'straining at gnats and swallowing camels,' making a fuss about little things to divert attention from great big bad things, I felt sorry for them. Being naturally good-natured and kind-hearted, I wanted to help them; so in perfect innocence I suggested to the distinguished gentleman who drew the bill and sent it to us to pass that he could relieve both the Chief Justice and the President of the embarrassment and responsibility of assigning a judge each year by writing into the law that whenever a vacancy occurred the circuit judge holding either the oldest or youngest commission should fill the vacancy. Either way the law fixed it it would work automatically. Whether the law said the oldest or youngest commission, the eligible judge would know it and everybody would know who the next judge would be, because the eligible would stand, like the crown prince, waiting to take the vacancy when it occurred, and could devote his leisure to studying commerce law and the interests of investors. The gentleman did not seem to admire my proffered assistance, but said he was not looking for automatic things. I then told him what a good old Republican friend had suggested to me, that the President, having named five new judges to start the court, might just appoint another new one every time a vacancy occurred. He smiled at that and I quit trying to help him.

"I am too good-natured to suggest anything mean; I hate to tell it, even as bad as I believe it is going to happen; but I will tell you what could happen. Five new judges could be appointed and start off the Commerce Court with terms, respectively, one, two, three, four, and five years. Under the provisions of this substitute bill each man can be reassigned up to 1914. The court being organized in 1910, the one-year man can be reassigned in 1911 for a term ending in 1916, and so on up to the fourth man, whose term would expire in 1914, he can be reassigned up to 1919. That would hold a majority of the original appointees in office until 1917, or seven years, long enough to start a line of decisions, establish a line of precedents, and do lots of mischief to the cause of justice in the United States if everything worked out that way. But the hardest class of folks on the face of this earth to rely on for systematic wrong and corruption is the lawyers. They get in the habit of respecting the law and the courts and the civilization protected by those bulwarks, and though you find one occasionally inclined to go wrong or temporarily crooked from bad company or environment, it will not do to count on holding three corrupt lawyers together for seven years. In the nature of things it is utterly impossible. You do not find a Jeffries more than once in a century, and there never have been three of a kind at one time since the dawn of jurisprudence. If that scheme were possible and any of the plans which the reactionaries hope for under this bill were to receive the sanction of that court, the Supreme Court would reverse it with all the stinging and burning indignation compatible with the dignity of that august tribunal.

"The President is much more reliable and less likely to do wrong from his training and practice as a lawyer than from his accomplishments as a Republican politician. Whatever good he may develop or whatever evil he may refrain from will be due to his legal training and restraint and not to his efforts to meet the exigencies of Republican politics, but rather in spite of them. Furthermore, as a lawyer, I object to the name "Commerce Court," and so do the American people. They love justice and revere law; they like a law court, a court of justice; they know what that means and respect it; it has never been their idea that commerce should become the dominating principle and passion of the American people. This is intended to be a land of liberty and sentiment, and education, and religion, and morality, and refinement, and law, and order. We cultivate commerce as necessary to provide means of support. We do not intend to make it the dominating factor. Instead of securing unity and uniformity and simplicity, creating this court would further diversify our jurisdiction and practice, confound and confuse matters, and make our judicial system more unsatisfactory than at present, besides administering a rude shock to the sensibilities of our people. For these reasons, being a lawyer, I refuse to subscribe to the creation of that court. I love the law and honor the administration of justice as the sheet anchor of our social, industrial, and political fabric. I can not, as a lawyer, consent to reflect upon myself, my associates at

the American bar, and the exalted cause and science of jurisprudence by indorsing any such anomaly."

Mr. STEENERSON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BARTLETT. Mr. Chairman, I yield two minutes to the gentleman from Ohio [Mr. ASHBROOK].

Mr. ASHBROOK. Mr. Chairman, I was very much interested in the remarks of the gentleman from Minnesota [Mr. STEENERSON], who is just now leaving the Chamber, and I want to say that I have always entertained a very high opinion of the gentleman. I had the honor to serve upon a committee in the Sixtieth Congress of which he was chairman, and I do not question any statement that he made on the floor, but I do want to say that the conditions that prevail in Minnesota and the Northwest are very, very different from the conditions in the State of Ohio. I happened to be a postmaster under the Cleveland administration, and I had a little knowledge of what was going on at that time. I know that there was not a fourth-class postmaster in my county who held his job three months after the change of administration. I further know that in my district—the seventeenth—there is just one Democrat who is filling the office of postmaster at a fourth-class office, and that is in a small town where there are just five Republicans in the town and none of them would accept the office. Therefore so far as my district is concerned every post office is filled by a Republican, and I believe I am safe in making the assertion that there is not one fourth-class postmaster out of a hundred in the State of Ohio who is not a Republican. While I am on my feet I want to say that if this examination is ordered, as I believe it should be, that personally I would not feel disposed to disturb any old soldier or a woman if their services were satisfactory, but these fourth-class postmasters who have been given a life job, covered into these places by an Executive order without a competitive examination, ought to stand on all fours with others who may aspire for the office. In other words, I believe the most capable and most deserving men in the community should fill the office. It is a fraud and a snare to make life jobs out of these fourth-class offices, as it was by the Executive orders of President Taft and President Roosevelt, and I welcome the prospect of a clean-up. [Applause.]

Mr. BARTLETT. Mr. Chairman, I do not desire to use any more time, and therefore move that the committee do now rise. Is there any time remaining to the other side, Mr. Chairman?

The CHAIRMAN. Does the gentleman withdraw his motion that the committee do now rise?

Mr. BARTLETT. Yes.

The CHAIRMAN. Then the Clerk will read the bill.

The Clerk read as follows:

*Be it enacted, etc.,* That the following sums be, and are hereby, appropriated, out of any money in the Treasury not otherwise appropriated, to supply urgent deficiencies in appropriations for the fiscal year 1913, and for other purposes.

Mr. BARTLETT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to; accordingly the committee rose, and the Speaker having resumed the chair, Mr. Flood of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7898—the urgent deficiency bill—and had come to no resolution thereon.

#### ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 2319. An act authorizing the appointment of an ambassador to Spain.

#### ADJOURNMENT.

Mr. BARTLETT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p. m.) the House adjourned to meet to-morrow, Thursday, September 4, 1913, at 12 o'clock noon.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 1328) granting an increase of pension to John F. Thomas; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 1329) granting an increase of pension to William J. Doyle; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2730) granting an increase of pension to Emil G. Herman; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7285) granting a pension to Sarah B. H. Sawyer; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LAFFERTY: A bill (H. R. 7904) to amend section 4884 of the Revised Statutes of the United States, relating to patents; to the Committee on Patents.

By Mr. HARRISON: A bill (H. R. 7905) to acquire and diffuse among the people of the United States useful information on the subjects connected with the marketing and distribution of perishable fruits and vegetables; to the Committee on Agriculture.

By Mr. RUBEY: A bill (H. R. 7906) amending the act of May 11, 1912, granting a service pension to certain defined veterans of the Civil War; to the Committee on Invalid Pensions.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURKE of Wisconsin: A bill (H. R. 7907) granting a pension to Anna Windmeister; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7908) granting a pension to Samantha H. Farr; to the Committee on Invalid Pensions.

By Mr. CLANCY: A bill (H. R. 7909) granting a pension to Edward F. Zufelt; to the Committee on Pensions.

Also, a bill (H. R. 7910) to correct the military record of George Le Clear; to the Committee on Military Affairs.

By Mr. EDMONDS: A bill (H. R. 7911) granting an increase of pension to Benjamin Bortz; to the Committee on Invalid Pensions.

By Mr. FERRIS: A bill (H. R. 7912) to remove the charge of desertion from John H. McAtee; to the Committee on Military Affairs.

By Mr. HENSLEY: A bill (H. R. 7913) granting an increase of pension to Reuben J. Hamilton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7914) for the relief of the heirs of Sarah B. Matthews and Elijah B. Matthews, deceased; to the Committee on War Claims.

By Mr. PETERSON: A bill (H. R. 7915) granting a pension to Emma M. Heimlich; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7916) granting an increase of pension to Luman A. Fowler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7917) to remove the charge of desertion from the military record of Francis M. Helm; to the Committee on Military Affairs.

Also, a bill (H. R. 7918) providing for the retirement of certain officers of the Philippine Scouts; to the Committee on Military Affairs.

By Mr. SPARKMAN: A bill (H. R. 7919) granting a pension to William Russell; to the Committee on Pensions.

Also, a bill (H. R. 7920) for the relief of C. C. Peck; to the Committee on Claims.

Also, a bill (H. R. 7921) for the relief of W. W. Carey; to the Committee on Claims.

Also, a bill (H. R. 7922) for the relief of the estate of Cyprian T. Jenkins, deceased; to the Committee on Claims.

Also, a bill (H. R. 7923) to remove the charge of desertion from the military record of William D. Jenner; to the Committee on Military Affairs.

By Mr. UNDERWOOD: A bill (H. R. 7924) for the relief of Levi Adcock; to the Committee on War Claims.

By Mr. WILLIS: A bill (H. R. 7925) granting a pension to William H. Dixon; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BURKE of Wisconsin: Papers to accompany bill (H. R. 877) granting an increase of pension to Elizabeth Verhalen; to the Committee on Invalid Pensions.

By Mr. CURLEY: Petitions of the Federated Irish Societies of Massachusetts, Boston, Mass., protesting against any legislation to refer the question of free tolls to American shipping through the Panama Canal to an international arbitration tribunal for settlement; to the Committee on Interstate and Foreign Commerce.

By Mr. HOWELL: Petition of the Commercial Club of Salt Lake City, Utah, favoring the passage of legislation to prohibit the importation of the plumage of wild birds for commercial use; to the Committee on Ways and Means.

By Mr. STEPHENS of California: Petition of the Chamber of Commerce, Long Beach, Cal., and the Chamber of Commerce of San Diego County, Cal., favoring the passage of legislation making an appropriation for the construction of four new battleships and necessary auxiliary boats; to the Committee on Naval Affairs.

Also, petition of the Chamber of Commerce of San Diego County, Cal., favoring the passage of legislation for the formation of a naval reserve force; to the Committee on Naval Affairs.

## SENATE.

THURSDAY, September 4, 1913.

The Senate met at 11 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.

The Journal of yesterday's proceedings was read and approved.

### HOUSE BILL REFERRED.

H. R. 7207. An act granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes, was read twice by its title and referred to the Committee on Public Lands.

### PETITIONS AND MEMORIALS.

Mr. WEEKS presented a memorial of the Federated Irish Societies of Massachusetts, remonstrating against the reference of the question of free tolls to American shipping through the Panama Canal to an international arbitration tribunal for settlement, which was referred to the Committee on Inter-oceanic Canals.

Mr. POINDEXTER presented a petition of the board of trustees of the Chamber of Commerce of Spokane, Wash., praying for the construction of four new battleships and for the formation of a naval reserve; which was referred to the Committee on Naval Affairs.

Mr. WARREN presented resolutions adopted by the Wyoming Bankers' Association, at Sheridan, Wyo., August 13, 1913, favoring the enactment of legislation looking toward the regulation of the currency system of the country, which were referred to the Committee on Banking and Currency.

### REPORTS OF COMMITTEE ON THE LIBRARY.

Mr. LEA, from the Committee on the Library, to which was referred the bill (S. 2659) providing for a monument to commemorate the women of the Civil War, reported it without amendment.

He also, from the same committee, to which was referred the amendment submitted by Mr. WARREN on July 21, 1913, proposing to appropriate \$400,000 to make payment of a part contribution to the acquisition of a site and the erection thereon of a memorial in the District of Columbia to commemorate the service and the sacrifices of the women of the United States, etc., intended to be proposed to the general deficiency appropriation bill, reported favorably thereon and moved that it be referred to the Committee on Appropriations and printed, which was agreed to.

### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 3077) providing for an exhibit by the Department of Agriculture at a Sixth National Corn Exposition at Dallas, Tex., in February, 1914; to the Committee on Agriculture and Forestry.

By Mr. McCUMBER:

A bill (S. 3078) granting a pension to Catharine Holbrook (with accompanying papers); and

A bill (S. 3079) granting an increase of pension to Frank J. King (with accompanying papers); to the Committee on Pensions.

By Mr. POINDEXTER:

A bill (S. 3080) providing for second homestead and desert-land entries; to the Committee on Public Lands.

A bill (S. 3081) to waive the age limit for admission to the Pay Corps of the United States Navy for one year in the case of Chief Commissary Steward Stamford Grey Chapman; to the Committee on Naval Affairs.

A bill (S. 3082) granting a pension to Samuel Rook; and

A bill (S. 3083) granting a pension to Emanuel Johns; to the Committee on Pensions.

By Mr. McLEAN:

A bill (S. 3084) granting an increase of pension to Mary Luce (with accompanying papers); to the Committee on Pensions.

### THE CURRENCY.

Mr. WEEKS submitted the following resolution (S. Res. 179), which was read:

*Resolved*, That the report and recommendations of the Committee on Banking and Currency on the bill H. R. 7837, entitled "A bill to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes," be made to the Senate Tuesday, December 2, 1913.

*Resolved further*, That it is the sense of the Senate that immediately upon the making of the report and recommendations the chairman of the Committee on Banking and Currency of the Senate, or some member of that committee acting in his behalf, shall at once move that the Senate proceed to the consideration of the said report and recommendations, thereby making the report and recommendations the unfinished business of the Senate.

THE VICE PRESIDENT. Shall the resolution be referred to the Committee on Banking and Currency?

Mr. WEEKS. Mr. President, I assume that under the rules it would have to lie on the table and be taken up for consideration to-morrow. One member of the Committee on Banking and Currency, who wishes to be present when it is discussed, can not be here to-day. So far as I am concerned, I am willing that the rule should be followed, and that it should lie on the table and be taken up to-morrow for discussion.

THE VICE PRESIDENT. The resolution will go over, under the rule.

### WOMAN SUFFRAGE.

Mr. TILLMAN. I present a letter, which I ask may be read and referred to the Committee on Immigration.

THE VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

HOUSTON, TEX., August 28, 1913.

Hon. BENJAMIN R. TILLMAN,

United States Senate, Washington, D. C.

MY DEAR SENATOR: I have just been reading your speech in the Senate, in which you mention woman suffrage. I quite agree with you; yet you are all wrong. It is not woman suffrage at all, but the cause of it. What is the reason for woman suffrage? There are nine million reasons, and there are about that many who are forced to make a scant living in shops and mills and stores. Last year, 1,500,000 people—undesirables—were dumped on our American shores. Where will they go? The West is full; the South is full; the North is full; and the East is full. However, were they not full, we should keep out the almost millions of undesirables.

The great issue—the only live issue—is, What will we do with a million and a half undesirable foreigners a year on our hands?

The second issue is, What will a million and a half undesirables a year do with us?

Cordially, yours,

ARTHUR SIMMONS.

THE VICE PRESIDENT. The communication will be referred to the Committee on Immigration.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the bill (S. 2319) authorizing the appointment of an ambassador to Spain, and it was thereupon signed by the Vice President.

### CALLING OF THE ROLL.

THE VICE PRESIDENT. The morning business is closed.

Mr. GALLINGER. Mr. President, I suggest the absence of a quorum.

THE VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Chilton	Gallinger	La Follette
Bacon	Clapp	Gore	Lane
Bankhead	Clark, Wyo.	Hitchcock	Lea
Bradley	Clarke, Ark.	Hollis	Lippitt
Brady	Colt	Hughes	Lodge
Brandegge	Crawford	James	McCumber
Bristow	Cummins	Johnson	Martine, N. J.
Bryan	Dillingham	Jones	Norris
Cañon	Fall	Kenyon	O'Gorman
Chamberlain	Fletcher	Kern	Overman